

Comprehensive Annual Financial Report (CAFR)

**As of and for the Year Ended
December 31, 2015**

Fitchburg

Fitchburg

**City of Fitchburg,
Wisconsin**



CITY OF FITCHBURG, WISCONSIN
Fitchburg, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended

December 31, 2015

Prepared By:

FINANCE DEPARTMENT
Misty Dodge, Finance Director

CITY OF FITCHBURG, WISCONSIN

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CITY OF FITCHBURG, WISCONSIN

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CITY OF FITCHBURG, WISCONSIN

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May 13, 2016

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Fitchburg:

The comprehensive annual financial report for the City of Fitchburg for the year ended December 31, 2015, is hereby submitted. This report consists of management's representations concerning the finances of the City of Fitchburg. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Baker Tilly to perform an audit of the City's financial statements. Baker Tilly has issued an unmodified ("clean") opinion on the City of Fitchburg's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City first incorporated as a town in 1847 and then as a city in 1983. It is located in the northwestern corner of Dane County, in the south-central part of Wisconsin, 10 miles south of the state capitol in Madison. The City currently has a land area of approximately 35 square miles and an estimated population for 2015 of 26,321. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council. The City is also preparing for the dissolution of the Town of Madison, of which some of the parcels will become part of the City of Fitchburg and the remainder will go to the City of Madison.

The City has operated under a mayor-council form of government since its incorporation. Policymaking and legislative authority is vested in the City Council, which consists of a mayor and an eight-member council. This governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's administrator. The city administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City government. The mayor is responsible for appointing committees, boards, and commissions, subject to the approval of the City Council. The mayor and the council are elected on a non-partisan basis. Council members are elected from within their respective districts to two-year terms. The mayor is elected at large to two-year terms.

Early in its history, Fitchburg attracted European immigrants, with the largest being Irish settlers looking for farmland. By the 1860's, the Irish constituted a third of Fitchburg's population. As the years passed, the City grew in population and business prospered. Today, Fitchburg is ideally nestled between urban Madison and the scenic farmlands that Wisconsin is famous for. With its close proximity to Madison, Fitchburg continues to attract visitors, new businesses, and new residents with its natural beauty, favorable location, diverse and thriving businesses and industries, fine services, and year-round recreational activities.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets, highways, and other infrastructure; recreational activities and cultural events. In addition to the general activities, the City Council exercises control over the Wastewater, Water, and Stormwater Utilities and therefore they have been included as an integral part of the City's financial statements.

The annual budget serves as the foundation for the City of Fitchburg's financial planning and controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, and the debt service fund are included in the annual appropriated budget. Project-length budgets are prepared for capital project funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level.

Local Economy

The City has been affected locally by the national economy. Over the long-term, the City will continue to experience significant residential and commercial growth in the years ahead as development continues to grow. Fitchburg has easy access to the State Capitol, University of Wisconsin Madison Campus, east or west side of Madison or the Interstates 39/90/94. In 2014 the City had net new construction growth of 1.952% or \$51 million.

The Fitchburg economy is made up of targeted industry clusters which include: agriculture, advanced manufacturing, life sciences, information technology, and headquarter, regional, and back-office operations

The Fitchburg Technology Neighborhood, dedicates more than 2,000 acres for high quality technology businesses in mixed-use commercial and residential settings connected by parks, open space and multi-modal transportation, creating the ideal place for technology companies to call home. The neighborhood consists of three developments: Fitchburg Center, Fitchburg Technology Campus/RDC Fitchburg Technology Campus Phase II, and Uptown Fitchburg.

The City is also expecting continued industrial and commercial development with the Sub-Zero/Wolf expansion and new product line creating over 300 new jobs.

The City consist of three school districts. The City's 2015 overall net property tax rate per \$1,000 in assessed value is \$22.99 for properties within the Madison School District, \$22.58 for the Oregon School District, and \$23.04 for the Verona School District.

Long-term Financial Planning

The City continues to focus on how to improve Fitchburg's services and vitality. The City has committed to improving Fitchburg through various actions and continues to improve their long-term financial planning efforts.

Fitchburg is a growing community and recognizes that balancing urban and rural interests requires planning for managed and orderly growth while looking for infill and redevelopment opportunities. Fitchburg's Comprehensive Plan, adopted in 2009 with annual minor amendments, is used to manage and direct growth in areas identified in the plan as desirable for future urban development. Prior to any urban service adjustment being considered or undertaken, a plan shall be accomplished for the neighborhood area in which the urban service adjustment may be taken. Neighborhood Plans, which analyze and plan for all elements of the built environment are adopted into the Comprehensive Plan.

To date the City has five neighborhood plans adopted into the City's long-rang Comprehensive Plan. These plans contain detailed recommendations for land use, transportation, recreation, utilities, and environmental considerations. The City is currently in the process of undertaking a planning study for the Anton Drive area, which lies to the west of Verona Road and North of McKee Road. This study will analyze the impact of the Wisconsin DOT's Verona Road reconstruction project and provide a long-term infill and redevelopment of land

within the study area. The Comprehensive Plan, and the detailed neighborhood plans, direct community development decisions by the city officials.

The City's Zoning Ordinance is one regulatory tool to implement the Comprehensive Land Use Plan. In 2010 Fitchburg became the first municipality in the state of Wisconsin to adopt SmartCode zoning, a form-based zoning district used to create Traditional Neighborhood Development (TND). The code works to maximize efficiency in land use by allowing for increased density as well as a diverse types of building forms and uses within a walkable area, and also works to create an environment that is pedestrian and bike friendly.

The City has six active Tax Increment Districts to assist with redevelopment and community development projects. In 2015 the City approved TID 9, an Industrial TID, to assist with improvements related to the expansion of Sub-Zero Wolf, a large manufacturer in the City. Overall the estimated costs within the district are estimated to be \$6,721,000 with the district funding approximately \$2,250,000 and the remaining funds coming from various other sources. When the district is terminated it is expected to bring approximately \$11,225,000 of value onto the tax rolls.

Tax Increment District 10, a rehabilitation-conservation TID, was also created in 2015 to help stimulate the redevelopment of approximately 4.75 acres along N Fish Hatchery Road into a hotel and conference center. Project costs are estimated at \$3,370,000 and include property acquisition costs, building demolition, road construction, potential earthwork and site preparation. When the district is terminated it is expected to bring approximately \$14,802,000 of value onto the tax rolls.

In addition to the efforts detailed above, the City annually updates and adopts a five-year capital improvement plan. This plan focuses on the strategic initiatives of the City and addresses the City's capital needs over five years. A Financial Management Plan is also presented by our financial advisors and includes estimated impacts of both capital and operating needs over five years and the impact on the City's tax rate. These document assists the Council in setting the priorities of the City as well as determining how we will finance the needs of the City in the future.

Acknowledgements

The preparation of this report was made possible through the dedicated services of the Finance Department staff, other City departments, and our independent auditors. We express our appreciation to all the City staff that assisted and contributed to the preparation of this report. We also thank the Mayor, the City Council, and the City Administrator – without their leadership and continuing support, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "Misty Dodge".

Misty Dodge, CPA, CPFO
Finance Director

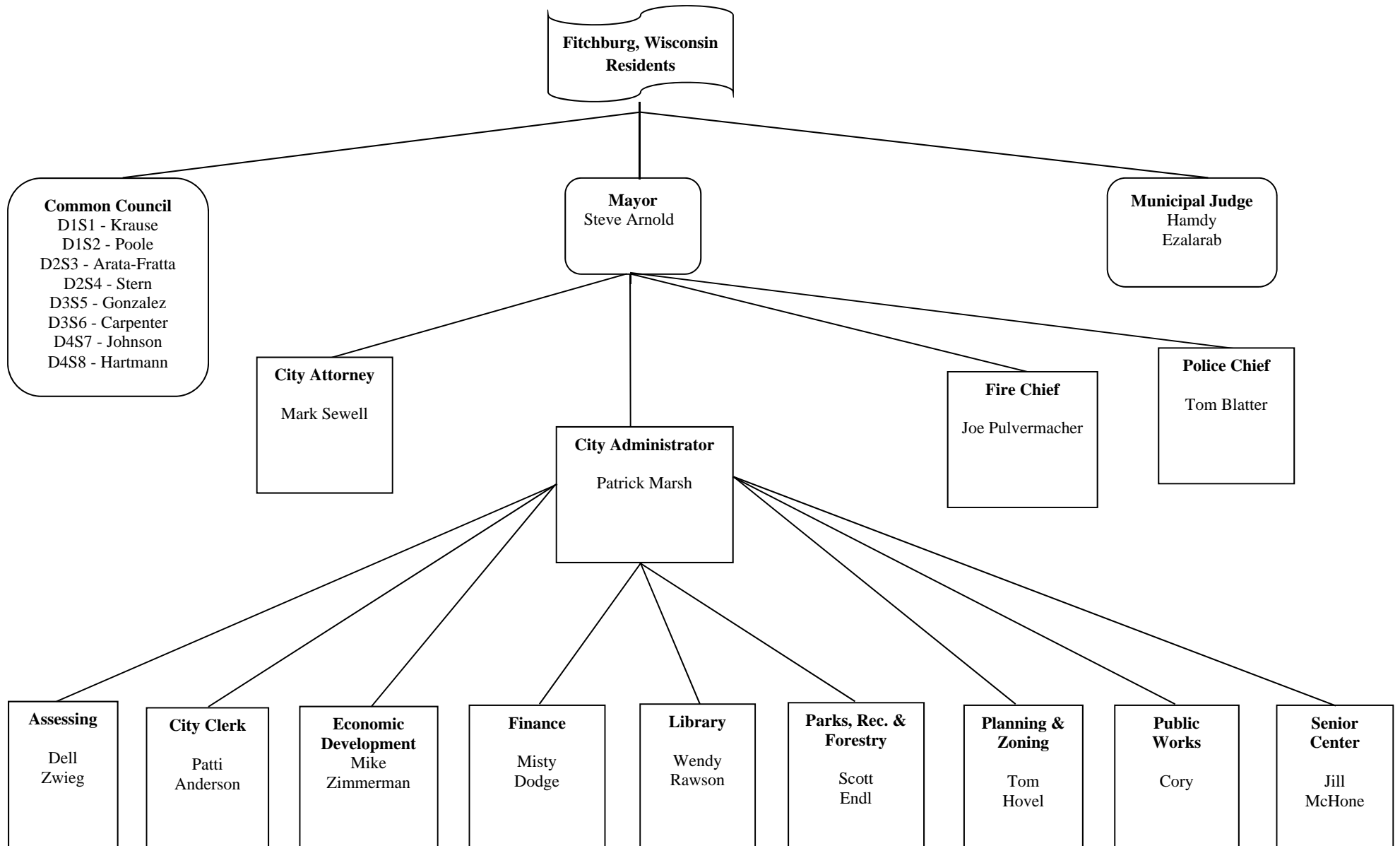
**City of Fitchburg, Wisconsin
List of Elected and Appointed Officials
December 31, 2015**

ELECTED OFFICIALS

Mayor		Steve Arnold
Council Member	District 1	Dorothy Krause
	District 1	Carol Poole
	District 2	Julia Arata-Fratta
	District 2	Patrick Stern
	District 3	Jason Gonzalez
	District 3	Dan Carpenter
	District 4	Jake Johnson
	District 4	Tony Hartmann
Municipal Court Judge		Hamdy Ezalarab

APPOINTED OFFICIALS

Administrator	Patrick Marsh
Attorney	Mark Sewell
Finance Director	Misty Dodge
Clerk	Patti Anderson
Police Chief	Thomas Blatter
Fire Chief	Joseph Pulvermacher
Public Works Director/City Engineer	Cory Horton
Library Director	Wendy Rawson
Senior Center Director	Jill McHone
Parks and Recreation Director	Scott Endl
City Assessor	Dell Zweig
Economic Development Director	Michael Zimmerman
City Planner	Thomas Hovel



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Fitchburg
Fitchburg, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fitchburg, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Fitchburg's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Fitchburg's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Fitchburg's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the City Council
City of Fitchburg

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fitchburg, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Fitchburg adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fitchburg's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the City Council
City of Fitchburg

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fitchburg's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Vinchow Krause, LLP

Madison, Wisconsin
May 13, 2016

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

As management of the City of Fitchburg, we offer readers of the financial statements of the city this narrative overview and analysis of the financial activities of the City of Fitchburg for the fiscal year ended December 31, 2015. We encourage the reader to consider the information presented here in conjunction with the city's financial statements.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses is considered the city's results of operations. Changes in net position are one indicator of financial health or financial position. Over time, increases or decreases in net position as measured in the Statement of Activities are one indicator of improving or deteriorating financial health.

- > The assets of the City of Fitchburg exceeded its liabilities as of December 31, 2015 by \$137,155,748 (net position). Of this amount, \$12,499,653 (unrestricted net position) may be used to meet the city's ongoing obligations to citizens and creditors, \$13,212,929 is restricted for specific purposes (restricted net position) and \$111,443,166 is the net investment in capital assets, including all infrastructure.
- > The City of Fitchburg's total net position increased by \$10,697,871 over the previous year's restated net position. Net position relating to Governmental Activities increased by \$7,871,530 while net position relating to Business-type Activities increased by \$2,826,341.
- > As of December 31, 2015, the city's governmental funds reported combined fund balances of \$22,318,855, an increase of \$9,215,276 from 2014.
- > Unassigned fund balance for the general fund was \$5,207,357 or 30.4 percent of 2015 general fund expenditures.
- > The 3 percent debt limit set by local ordinance as of December 31, 2015 was \$81,342,051. Total general obligation debt outstanding at the end of the year was \$42,230,000 (51.9 percent of the allowable limit).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the city:

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the city's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of city government, reporting the city's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The final section is a statistical section that provides up to ten years of historical data to provide context to the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the city's net position and how they have changed. Net Position – the difference between the city's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the city's financial health, or position. Over time, increases or decreases in the city's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the city you need to consider additional non-financial factors such as changes in the city's property tax base and the condition of the city's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

The government-wide financial statements include the City of Fitchburg (primary government) and the Fitchburg Community and Economic Development Authority (component unit). The Fitchburg Community and Economic Development Authority is a separate legal entity for which the city is financially accountable. Financial information for the component unit is presented as a discreet column in the financial statements. The Fitchburg Community and Economic Development Authority does not issue separate financial statements.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

The city maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general debt service fund, the general capital projects fund, and the TID No. 4 fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The city adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. Budgetary comparison schedules have also been provided for all special revenue funds that have an annual adopted budget.

Proprietary Funds – The city maintains two different proprietary funds, both of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

Agency Funds – Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs. The accounting used for agency funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the city's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the city's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth, and changes in the regulatory environment.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fitchburg, assets exceeded liabilities by \$137,155,748 at the close of 2015, an increase of \$10,697,871 or 8.5 percent.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

General capital assets (e.g., land, construction in progress, land improvements, buildings, machinery, infrastructure, and equipment) for the governmental activities of the city (less any outstanding debt used to acquire those assets) equals \$ 60,626,176 or 77.8 percent of governmental net position. Including governmental and business-type activities, 81.3 percent of total net position is represented by capital assets. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's total net position (\$13,212,929 or 9.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$12,499,653 or 9.1 percent) may be used to meet the government's ongoing obligations to citizens or creditors.

At the end of the current fiscal year, the city reported positive balances in all three categories of net position, for the city as a whole, as well as for its governmental and business-type activities individually.

A summary of the city's Statement of Net Position is presented below in Table 1.

**Table 1
Condensed Statements of Net Position**

	Governmental Activities	Business-type Activities	2015 Totals	2014 Totals
Current and other assets	\$ 56,086,218	\$ 6,430,264	\$ 62,516,482	\$ 47,589,247
Capital assets	94,120,960	53,822,126	147,943,086	142,665,119
Total Assets	<u>150,207,178</u>	<u>60,252,390</u>	<u>210,459,568</u>	<u>190,254,366</u>
Total Deferred Outflows of Resources	<u>2,093,932</u>	<u>103,871</u>	<u>2,197,803</u>	<u>-</u>
Long-term liabilities outstanding	44,044,404	459,114	44,503,518	39,975,897
Other liabilities	2,844,380	621,763	3,466,143	4,053,940
Total Liabilities	<u>46,888,784</u>	<u>1,080,877</u>	<u>47,969,661</u>	<u>44,029,837</u>
Total Deferred Inflows of Resources	<u>27,531,962</u>	<u>-</u>	<u>27,531,962</u>	<u>24,092,254</u>
Net Position				
Net investment in capital assets	60,626,176	53,547,126	111,443,166	111,599,665
Restricted	12,928,873	284,056	13,212,929	6,034,242
Unrestricted	<u>4,325,315</u>	<u>5,444,202</u>	<u>12,499,653</u>	<u>4,498,368</u>
Total Net Position	<u>\$ 77,880,36</u>	<u>\$ 59,275,384</u>	<u>\$ 137,155,748</u>	<u>\$ 122,132,275</u>

The total column reflects a capital debt adjustment. See Note I.D.9. for further information.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes becomes more evident in the Condensed Statement of Activities shown below.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the city's net position by \$7,871,530. This increase is primarily a result of property taxes levied to re-pay the principal portion of long-term debt and to finance capital projects that are capitalized within the statements.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$2,826,341. This increase is primarily a result of \$1,338,349 and \$1,258,868 in capital grants and contributions for the Water and Stormwater functions received for large projects completed in 2015.

**Table 2
Condensed Statement of Activities**

	Governmental Activities	Business-type Activities	2015 Totals	2014* Totals
Revenues:				
Program Revenues				
Charges for services	\$ 2,538,311	\$ 5,614,574	\$ 8,152,885	\$ 8,441,175
Operating grants and contributions	2,115,694	-	2,115,694	1,937,917
Capital grants and contributions	3,599,522	3,044,423	6,643,945	13,016,409
General Revenues				
Property taxes	23,096,534	-	23,096,534	22,794,685
Other taxes	57,529	-	57,529	37,457
Intergovernmental	1,819,117	-	1,819,117	1,888,424
Other revenues	1,580,370	65,968	1,646,338	1,940,933
Total Revenues	<u>34,807,077</u>	<u>8,724,965</u>	<u>43,532,042</u>	<u>37,068,090</u>
Expenses:				
General government	3,871,581	-	3,871,581	3,219,898
Public safety	10,335,633	-	10,335,633	10,957,835
Public works	6,847,114	-	6,847,114	11,334,075
Health and human services	473,545	-	473,545	419,820
Culture, education, and recreation	4,020,494	-	4,020,494	3,524,529
Conservation and development	1,014,751	-	1,014,751	1,311,610
Interest and fiscal charges	989,630	-	989,630	1,011,119
Water and sewer utilities	-	4,324,588	4,324,588	3,811,612
Stormwater utility	-	956,835	956,835	902,526
Total Expenses	<u>27,552,748</u>	<u>5,281,423</u>	<u>32,834,171</u>	<u>36,493,024</u>
Increase in net position before transfers	7,254,329	3,443,542	10,697,871	13,563,976
Transfers	617,201	(617,201)	-	-
Change in Net Position	<u>7,871,530</u>	<u>2,826,341</u>	<u>10,697,871</u>	<u>13,563,976</u>
Net Position – Beginning of Year (as restated)	<u>70,008,834</u>	<u>56,449,043</u>	<u>126,457,877</u>	<u>108,568,299</u>
Net Position – End of Year	<u>\$ 77,880,364</u>	<u>\$ 59,275,384</u>	<u>\$ 137,155,748</u>	<u>\$ 122,132,275</u>

*The 2014 column has not been restated.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

BUSINESS-TYPE ACTIVITIES (cont.)

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown in Table 2.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City of Fitchburg's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2015, the city's governmental funds reported combined fund balances of \$22,318,855. Approximately 23.0 percent of this amount, \$5,138,826 constitutes unassigned fund balance, which is available to meet the city's current and future needs. The remaining \$17,180,029 is non-spendable for noncurrent asset balances, or restricted, committed, or assigned for specific purposes of the city.

General Fund

The city's general fund is the chief operating fund of the city. The total general fund balance is \$7,640,897, an increase of \$870,818 or 12.9%.

The city evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the current year's general fund revenues. For 2015, unassigned fund balance is \$5,207,357 and the 2015 general fund revenues were \$17,387,800, resulting in an unassigned fund balance of 29.9 percent of revenues. This is a slight increase from 2014 and is primarily the result of a positive net change in fund balance in 2015.

General Debt Service Fund

The city's debt service fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. The entire fund balance of \$203,490 is assigned for future debt service. As of the end of 2015, \$73,621 of the fund balance is premium on debt issued in 2015 that will be used to make interest payments in 2016.

General Capital Projects Fund

The city's capital projects fund accounts for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The fund balance of \$3,796,056 is an increase of \$3,000,800 or 377.3 percent over the previous year. The increase is due primarily to the temporary use of fund balance in 2014 to support capital projects that were subsequently reimbursed by debt proceeds in 2015.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

TID No. 4 Capital Projects Fund

TID No. 4 is currently the city's largest tax incremental district. This TID has been amended twice; the most recent amendment was approved in 2011 to add Nine Springs. This portion of the TID is a traditional TID with the city's major financial involvement being an interchange at Highway 14. Funds were borrowed in 2010, 2011 and 2012 for the interchange. An additional amount was borrowed in 2015 for railroad crossings. The entire fund balance of \$5,135,082 is restricted for TID activities.

Nonmajor Governmental Funds

Fund balance of nonmajor governmental funds is \$5,543,330, which is nonspendable, restricted, or committed for future projects and expenditures. This balance includes negative fund balances of \$24,510 for TID No. 8, \$27,663 for TID No. 9, and \$3,896 for TID No. 10 due to the districts being new and having a small amount of implementation/administration costs that have not been recovered. Also the municipal building fund includes a negative fund balance of \$12,462. Funds have been advanced by the general fund with a charge for interest.

Proprietary Funds

The City of Fitchburg's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2015 adopted General Fund budget was amended during the year. The total original appropriations were \$17,697,346 and final appropriations were \$17,702,586. The \$5,240 increase was for a grant awarded to purchase signage. There were other budget amendments approved that did not affect total expenditures. The largest amendment was the use of savings in fuel prices to fully implement the new employee pay plan.

Actual expenditures and other financing uses were \$17,140,600 resulting in a favorable variance of \$561,986. Total revenues and other funding sources were \$18,011,418, which is \$308,832 more than budget. The overall operating result of the general fund was a gain of \$870,818 and was primarily due to:

- > Vacancies in the police, finance, fire, clerk, building inspection, technology, and assessing departments.
- > Delay in the DaneCom project resulting in delayed annual maintenance costs.
- > Waived disability premium costs.
- > Property tax reimbursement to two businesses as a result of assessed value claims.
- > Building and related permit revenues in excess of budget, primarily due to the favorable economic climate and several large projects that were constructed in 2015.
- > Non-cash adjustment of the bad debt allowance for the municipal court collections.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

CAPITAL ASSETS

At the end of 2015, the city had invested a total of \$147,943,086 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	Governmental Activities	Business-type Activities	2015 Totals	2014 Totals
Land and other assets not being depreciated	\$ 26,335,587	\$ 5,966,056	\$ 32,301,643	\$ 29,823,195
Land improvements	412,878	-	412,878	412,878
Building and improvements	28,667,850	3,055,828	31,723,678	31,420,754
Machinery and equipment	11,590,699	2,987,778	14,578,477	14,386,050
Roads, paths, and sidewalks	55,428,027	-	55,428,027	52,918,094
Utility plant	-	60,745,360	60,745,360	59,020,244
Intangible	-	197,057	197,057	197,057
Total Capital Assets	122,435,041	72,952,079	195,387,120	188,178,272
Less: Accumulated Depreciation	(28,314,081)	(19,129,953)	(47,444,034)	(45,513,153)
Net Capital Assets	<u>\$ 94,120,960</u>	<u>\$ 53,822,126</u>	<u>\$ 147,943,086</u>	<u>\$ 142,665,119</u>

More information on net capital assets can be found in the notes to the financial statements, Note III. D.

GOVERNMENTAL ACTIVITIES

Total capital assets from governmental activities increased \$4,677,932. Major capital asset events during the current fiscal year included the following:

- > Land contributions to the city by developers for parkland.
- > There were several road and path projects completed in 2015 including Nobel Drive and various developer contributed infrastructure items.

BUSINESS -TYPE ACTIVITIES

Total utility capital assets increased \$624,795 for water; \$357,032 for sewer; and \$1,549,089 for stormwater. Major capital asset events during the current fiscal year included the following:

- > Water and sewer work in process at year-end includes Rolfsmeyer Road Sanitary, Glacier Valley (future improvements), King James Booster Station, AML, and Syene Water Connection, Verona Rd Relocates, and Fitchrona Road Water Main.
- > The storm water utility work in process includes the preliminary assessment of Area H, Schuman Drive.
- > There were 55 water services added and 40 sanitary sewer services added during 2015.
- > There were 8,860 feet of water main added in 2015, so total footage is increased to 517,493 feet, which equates to just over 98.0 miles of water main.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

LONG-TERM DEBT

As of December 31, 2015, the city had \$42,230,000 of long-term bonds and notes outstanding, including utilities. All of the city's external debt is for general obligation issues. This is an increase of \$4,467,830 from 2014 due to the scheduled payments on the existing debt of \$3,857,170 and the issuance of \$8,325,000 in new debt during 2015.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2015 was \$135,570,085. The city was at 31.1 percent of the legal debt limit.

The city has chosen to further restrict its borrowing, not to exceed 3 percent of the equalized value of taxable property. The city's internal debt limit as of December 31, 2015 was \$81,342,051 and the city had used 51.9 percent.

Also see notes to the financial statements, Note III.F.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2016 city budget, with the exception of the early pay-off of three municipal revenue obligations in April 2016 and the latest new tax incremental district created at the end of 2015, as discussed further below.

During 2007, the city issued two municipal revenue obligations as a part of development agreements related to specific portions of the development in TID No. 4. During 2014, an additional municipal revenue obligation was issued as a part of another development agreement within the same TID. These obligations do not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligations, the obligations terminate with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2015 scheduled payments were able to be made on the development agreements. Subsequent to the date of the financial statements, in April 2016, two of the three obligations described above were paid off early.

A similar development agreement related to TID No. 6 was approved during 2009, with payments made each year as scheduled. Subsequent to the date of the financial statements, in April 2016, this obligation was also paid off early.

During 2009, TID No. 8 had a base value certified; however, no projects have begun and the TID has a deficit balance.

During 2011, the city received approval for a second amendment to TID No. 4. This amendment involves a developer agreement with Green Tech and Tech Lands for development of the Nine Springs Property which with development of FTC I (original TID) and FTC II will ultimately have a minimum value increment of \$44,000,000. The new closing date for this TID is projected to be 2025. The City's main investment in the amended TID has been the construction of an interchange at Hwy 14, which was completed in 2012.

During 2013, the city received approval for an amendment to TID No. 6. This amendment involves the construction of Spoke and Sprocket Drives with the intention to spur development in the Arrowhead area. The construction of those two roads was substantially completed in 2014.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2015

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)

During 2015, the city created two additional tax incremental districts. TID No. 9 was approved to assist in the expansion of an existing major employer through a future municipal revenue obligation. TID No. 10 was approved to help stimulate redevelopment of a major business corridor with a planned hotel/conference center/ restaurant project that is also expected to be supported through a future municipal revenue obligation. As of the date of the financial statements, only minimal administrative and implementation costs have been incurred by the two new districts.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the city's finances. If you have questions about this report or need any additional information, contact the city Finance Director at (608) 270-4252, Monday through Friday, 8:00 a.m. – 4:30 p.m.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF NET POSITION As of December 31, 2015

	Governmental Activities	Business-type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 20,935,116	\$ 6,054,734	\$ 26,989,850	\$ 657,253
Receivables (net)				
Taxes receivable	27,616,398	-	27,616,398	-
Delinquent personal property taxes	11,785	-	11,785	-
Accounts	907,121	1,494,679	2,401,800	75,303
Loans	-	-	-	66,323
Special assessments	623,757	171,944	795,701	-
Delinquent special assessments	6,957	-	6,957	-
Accrued interest	4,757	-	4,757	-
Land contract	18,277	-	18,277	-
Internal balances	1,629,968	(1,629,968)	-	-
Due from other governmental units	88,164	-	88,164	-
Inventories	-	45,903	45,903	-
Prepaid items	319,247	8,916	328,163	7,995
Investment in joint venture	816,576	-	816,576	-
Restricted assets				
Cash and investments	1,052,203	181,646	1,233,849	-
Net pension asset	2,055,892	102,410	2,158,302	-
Capital Assets				
Land	22,885,556	5,265,210	28,150,766	-
Intangible plant - land	-	694,765	694,765	-
Construction in progress	3,450,031	203,138	3,653,169	-
Other capital assets, net of depreciation	67,785,373	47,659,013	115,444,386	-
Total Assets	<u>150,207,178</u>	<u>60,252,390</u>	<u>210,459,568</u>	<u>806,874</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	<u>2,093,932</u>	<u>103,871</u>	<u>2,197,803</u>	-
Total Deferred Outflows of Resources	<u>2,093,932</u>	<u>103,871</u>	<u>2,197,803</u>	-
LIABILITIES				
Accounts payable	1,867,387	585,714	2,453,101	60,222
Accrued liabilities	811,660	36,049	847,709	-
Due to other governmental units	8,533	-	8,533	-
Deposits	156,800	-	156,800	-
Noncurrent Liabilities				
Due within one year	4,721,760	193,944	4,915,704	-
Due in more than one year	<u>39,322,644</u>	<u>265,170</u>	<u>39,587,814</u>	-
Total Liabilities	<u>46,888,784</u>	<u>1,080,877</u>	<u>47,969,661</u>	<u>60,222</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	<u>27,531,962</u>	-	<u>27,531,962</u>	-
Total Deferred Inflows of Resources	<u>27,531,962</u>	-	<u>27,531,962</u>	-
NET POSITION				
Net investment in capital assets	60,626,176	53,547,126	111,443,166	-
Restricted for				
Room tax	-	-	-	316,457
Park and recreational fees	1,511,189	-	1,511,189	-
Impact fees	795,051	181,646	976,697	-
Library	407,912	-	407,912	-
Library project	155,746	-	155,746	-
Pension	2,055,892	102,410	2,158,302	-
Park projects	53,539	-	53,539	-
TID activities	7,901,677	-	7,901,677	-
Future capital projects funded by donations	47,867	-	47,867	-
Unrestricted	<u>4,325,315</u>	<u>5,444,202</u>	<u>12,499,653</u>	<u>430,195</u>
TOTAL NET POSITION	<u>\$ 77,880,364</u>	<u>\$ 59,275,384</u>	<u>\$ 137,155,748</u>	<u>\$ 746,652</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,871,581	\$ 551,308	\$ 72,420	\$ -
Public safety	10,335,633	679,530	127,749	394,300
Public works	6,847,114	804,677	1,338,957	3,205,222
Health and human services	473,545	-	-	-
Culture, education and recreation	4,020,494	442,313	505,747	-
Conservation and development	1,014,751	60,483	-	-
Interest and fiscal charges	989,630	-	70,821	-
Total Governmental Activities	<u>27,552,748</u>	<u>2,538,311</u>	<u>2,115,694</u>	<u>3,599,522</u>
Business-type Activities				
Water	2,067,801	2,229,284	-	1,338,349
Sewer	2,256,787	2,282,454	-	447,206
Stormwater	956,835	1,102,836	-	1,258,868
Total Business-type Activities	<u>5,281,423</u>	<u>5,614,574</u>	<u>-</u>	<u>3,044,423</u>
Total Primary Government	<u>\$ 32,834,171</u>	<u>\$ 8,152,885</u>	<u>\$ 2,115,694</u>	<u>\$ 6,643,945</u>
Component Unit				
Community development authority	<u>\$ 249,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital assets

Property taxes, levied for library purposes

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Public gifts and grants

Investment income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (3,247,853)	\$ -	\$ (3,247,853)	\$ -
(9,134,054)	-	(9,134,054)	-
(1,498,258)	-	(1,498,258)	-
(473,545)	-	(473,545)	-
(3,072,434)	-	(3,072,434)	-
(954,268)	-	(954,268)	-
(918,809)	-	(918,809)	-
<u>(19,299,221)</u>	<u>-</u>	<u>(19,299,221)</u>	<u>-</u>
-	1,499,832	1,499,832	-
-	472,873	472,873	-
-	1,404,869	1,404,869	-
<u>-</u>	<u>3,377,574</u>	<u>3,377,574</u>	<u>-</u>
<u>(19,299,221)</u>	<u>3,377,574</u>	<u>(15,921,647)</u>	<u>-</u>
-	-	-	(249,679)
12,991,500	-	12,991,500	-
3,618,232	-	3,618,232	-
1,145,386	-	1,145,386	-
1,604,133	-	1,604,133	-
3,737,283	-	3,737,283	-
57,529	-	57,529	305,666
1,819,117	-	1,819,117	-
65,220	-	65,220	-
200,208	17,920	218,128	4,007
1,314,942	48,048	1,362,990	5,689
<u>617,201</u>	<u>(617,201)</u>	<u>-</u>	<u>-</u>
<u>27,170,751</u>	<u>(551,233)</u>	<u>26,619,518</u>	<u>315,362</u>
7,871,530	2,826,341	10,697,871	65,683
<u>70,008,834</u>	<u>56,449,043</u>	<u>126,457,877</u>	<u>680,969</u>
<u>\$ 77,880,364</u>	<u>\$ 59,275,384</u>	<u>\$ 137,155,748</u>	<u>\$ 746,652</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2015

	General	General Debt Service	General Capital Projects
ASSETS			
Cash and investments	\$ 6,902,034	\$ 209,733	\$ 2,522,512
Receivables			
Taxes	13,863,215	3,793,982	723,888
Delinquent personal property taxes	11,785	-	-
Accounts	662,308	-	57,889
Interest	-	4,757	-
Special assessments	-	623,757	-
Delinquent special assessments	6,957	-	-
Land contract	18,277	-	-
Due from other governments	88,164	-	-
Due from other funds	617,201	-	-
Advances to other funds	72,162	-	1,012,767
Prepaid items	314,896	-	-
Restricted assets	53,539	-	998,664
TOTAL ASSETS	<u>\$ 22,610,538</u>	<u>\$ 4,632,229</u>	<u>\$ 5,315,720</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 569,378	\$ 11,000	\$ 645,791
Accrued liabilities	502,467	-	-
Due to other governments	8,533	-	-
Deposits	92,065	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>1,172,443</u>	<u>11,000</u>	<u>645,791</u>
Deferred Inflows of Resources			
Unearned revenues	13,778,921	3,793,982	723,888
Unavailable revenues	18,277	623,757	149,985
Total Deferred Inflows of Resources	<u>13,797,198</u>	<u>4,417,739</u>	<u>873,873</u>
Fund Balances			
Nonspendable	405,800	-	1,012,767
Restricted	53,539	-	1,087,957
Committed	-	-	-
Assigned	1,974,201	203,490	1,695,332
Unassigned (deficit)	5,207,357	-	-
Total Fund Balances	<u>7,640,897</u>	<u>203,490</u>	<u>3,796,056</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 22,610,538</u>	<u>\$ 4,632,229</u>	<u>\$ 5,315,720</u>

See accompanying notes to financial statements.

TID No. 4	Nonmajor Governmental Funds	Totals
\$ 5,411,127	\$ 5,889,710	\$ 20,935,116
4,012,097	5,223,216	27,616,398
-	-	11,785
-	88,822	809,019
-	-	4,757
-	-	623,757
-	-	6,957
-	-	18,277
-	98,102	186,266
-	-	617,201
-	-	1,084,929
-	4,351	319,247
-	-	1,052,203
<u>\$ 9,423,224</u>	<u>\$ 11,304,201</u>	<u>\$ 53,285,912</u>
\$ 276,045	\$ 365,173	\$ 1,867,387
-	35,727	538,194
-	-	8,533
-	64,735	156,800
-	72,162	72,162
<u>276,045</u>	<u>537,797</u>	<u>2,643,076</u>
4,012,097	5,223,074	27,531,962
-	-	792,019
<u>4,012,097</u>	<u>5,223,074</u>	<u>28,323,981</u>
-	4,351	1,422,918
5,135,082	4,682,848	10,959,426
-	924,662	924,662
-	-	3,873,023
-	(68,531)	5,138,826
<u>5,135,082</u>	<u>5,543,330</u>	<u>22,318,855</u>
<u>\$ 9,423,224</u>	<u>\$ 11,304,201</u>	<u>\$ 53,285,912</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2015

Total Fund Balances - Governmental Funds	\$ 22,318,855
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	22,885,556
Land improvements	412,878
Construction in progress	3,450,031
Buildings	28,667,850
Machinery and equipment	11,590,699
Infrastructure	55,428,027
Less: Accumulated depreciation	(28,314,081)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

792,019

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.

2,055,892

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

2,093,932

The city's equity interest in joint ventures is reported on the statement of net position.

816,576

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(41,955,000)
Compensated absences	(2,089,404)
Accrued interest	<u>(273,466)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 77,880,364

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General	General Debt Service	General Capital Projects	TID No. 4
REVENUES				
Taxes	\$ 13,049,029	\$ 3,618,232	\$ 1,145,386	\$ 3,337,602
Intergovernmental	2,146,148	70,821	559,203	521,403
Licenses and permits	891,603	-	-	-
Fines, forfeitures and penalties	314,518	-	-	-
Public charges for services	268,058	-	-	-
Special assessments	1,518	194,636	27,608	-
Investment income	124,398	27,375	27,026	10,870
Intergovernmental charges for services	84,790	-	-	-
Miscellaneous	507,738	73,337	416,748	-
Total Revenues	<u>17,387,800</u>	<u>3,984,401</u>	<u>2,175,971</u>	<u>3,869,875</u>
EXPENDITURES				
Current				
General government	3,288,940	-	-	-
Public safety	9,641,685	-	-	-
Public works	2,046,957	-	-	-
Health and human services	467,098	-	-	-
Culture, recreation and education	1,144,162	-	-	-
Conservation and development	551,758	-	-	-
Capital Outlay	-	-	3,028,298	1,775,104
Debt Service				
Principal	-	3,732,170	-	-
Interest and fiscal charges	-	1,086,125	42,894	9,172
Total Expenditures	<u>17,140,600</u>	<u>4,818,295</u>	<u>3,071,192</u>	<u>1,784,276</u>
Excess (deficiency) of revenues over expenditures	<u>247,200</u>	<u>(833,894)</u>	<u>(895,221)</u>	<u>2,085,599</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	3,375,000	955,000
Premium on debt issued	-	190,066	-	-
Property sales	6,417	-	65,521	-
Transfers in	617,201	1,098,503	455,500	-
Transfers out	-	(390,000)	-	(1,095,990)
Total Other Financing Sources (Uses)	<u>623,618</u>	<u>898,569</u>	<u>3,896,021</u>	<u>(140,990)</u>
Net Change in Fund Balances	870,818	64,675	3,000,800	1,944,609
FUND BALANCES - Beginning of Year	<u>6,770,079</u>	<u>138,815</u>	<u>795,256</u>	<u>3,190,473</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,640,897</u>	<u>\$ 203,490</u>	<u>\$ 3,796,056</u>	<u>\$ 5,135,082</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 2,003,814	\$ 23,154,063
720,807	4,018,382
333,947	1,225,550
11,884	326,402
998,458	1,266,516
-	223,762
10,539	200,208
-	84,790
48,874	1,046,697
<u>4,128,323</u>	<u>31,546,370</u>
-	3,288,940
17,532	9,659,217
843,190	2,890,147
-	467,098
2,375,009	3,519,171
-	551,758
1,452,924	6,256,326
-	3,732,170
32,281	1,170,472
<u>4,720,936</u>	<u>31,535,299</u>
<u>(592,613)</u>	<u>11,071</u>
3,995,000	8,325,000
-	190,066
-	71,938
-	2,171,204
(68,013)	(1,554,003)
<u>3,926,987</u>	<u>9,204,205</u>
3,334,374	9,215,276
<u>2,208,956</u>	<u>13,103,579</u>
<u>\$ 5,543,330</u>	<u>\$ 22,318,855</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 9,215,276
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	6,252,430
Some items reported as capital outlay were not capitalized	(562,869)
Depreciation is reported in the government-wide financial statements	(2,210,710)
Net book value of assets retired	(505,949)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(72,650)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(8,325,000)
Principal repaid	3,732,170

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(65,713)
Accrued interest on debt	(9,224)
Net pension asset	(1,255,114)
Deferred outflows of resources related to pensions	1,284,583

The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.

394,300

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

<u>\$ 7,871,530</u>

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Business-type Activities - Enterprise Funds		
	Utility District No. 1	Stormwater Utility	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 5,224,827	\$ 829,907	\$ 6,054,734
Receivables			
Accounts	1,217,879	276,800	1,494,679
Inventories	45,903	-	45,903
Prepaid items	6,870	2,046	8,916
Total Current Assets	<u>6,495,479</u>	<u>1,108,753</u>	<u>7,604,232</u>
Noncurrent Assets			
Restricted Assets			
Restricted cash	181,646	-	181,646
Net pension asset	82,216	20,194	102,410
Capital Assets			
Land and land rights	470,003	4,795,207	5,265,210
Construction in progress	179,107	24,031	203,138
Intangible plant	261,708	433,057	694,765
Property and equipment	48,148,639	18,640,327	66,788,966
Less: Accumulated depreciation	(12,442,504)	(6,687,449)	(19,129,953)
Other Assets			
Special assessments receivable	171,944	-	171,944
Total Noncurrent Assets	<u>37,052,759</u>	<u>17,225,367</u>	<u>54,278,126</u>
Total Assets	<u>43,548,238</u>	<u>18,334,120</u>	<u>61,882,358</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	<u>82,658</u>	<u>21,213</u>	<u>103,871</u>
Total Deferred Outflows of Resources	<u>82,658</u>	<u>21,213</u>	<u>103,871</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds			
	Utility District No. 1	Stormwater Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 541,227	\$ 44,487	\$ 585,714
Accrued wages	17,914	4,509	22,423
Accrued interest	-	13,626	13,626
Due to other funds	617,201	-	617,201
Compensated absences	65,647	3,297	68,944
Current portion of advances	-	55,940	55,940
General obligation bonds payable	-	125,000	125,000
Total Current Liabilities	<u>1,241,989</u>	<u>246,859</u>	<u>1,488,848</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation bonds payable	-	150,000	150,000
Advances from other funds	-	956,827	956,827
Compensated absences	90,943	24,227	115,170
Total Noncurrent Liabilities	<u>90,943</u>	<u>1,131,054</u>	<u>1,221,997</u>
Total Liabilities	<u>1,332,932</u>	<u>1,377,913</u>	<u>2,710,845</u>
NET POSITION			
Net investment in capital assets	36,616,953	16,930,173	53,547,126
Restricted for			
Impact fees	181,646	-	181,646
Pension	82,216	20,194	102,410
Unrestricted	<u>5,417,149</u>	<u>27,053</u>	<u>5,444,202</u>
TOTAL NET POSITION	<u>\$ 42,297,964</u>	<u>\$ 16,977,420</u>	<u>\$ 59,275,384</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Utility District No. 1	Stormwater Utility	Totals
OPERATING REVENUES	<u>\$ 4,511,738</u>	<u>\$ 1,102,836</u>	<u>\$ 5,614,574</u>
OPERATING EXPENSES			
Operation and maintenance	3,052,994	385,648	3,438,642
Depreciation	<u>848,941</u>	<u>505,870</u>	<u>1,354,811</u>
Total Operating Expenses	<u>3,901,935</u>	<u>891,518</u>	<u>4,793,453</u>
Operating Income (Loss)	<u>609,803</u>	<u>211,318</u>	<u>821,121</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	16,317	1,603	17,920
Interest expense	-	(65,317)	(65,317)
Miscellaneous	-	48,048	48,048
Loss on disposal of assets	<u>(422,653)</u>	<u>-</u>	<u>(422,653)</u>
Total Nonoperating Revenues (Expenses)	<u>(406,336)</u>	<u>(15,666)</u>	<u>(422,002)</u>
Income Before Contributions and Transfers	<u>203,467</u>	<u>195,652</u>	<u>399,119</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	1,458,041	756,823	2,214,864
Capital contributions - municipality	327,514	502,045	829,559
Transfers out	<u>(617,201)</u>	<u>-</u>	<u>(617,201)</u>
Total Contributions and Transfers	<u>1,168,354</u>	<u>1,258,868</u>	<u>2,427,222</u>
Change in Net Position	<u>1,371,821</u>	<u>1,454,520</u>	<u>2,826,341</u>
NET POSITION - Beginning of Year (as restated)	<u>40,926,143</u>	<u>15,522,900</u>	<u>56,449,043</u>
NET POSITION - END OF YEAR	<u><u>\$ 42,297,964</u></u>	<u><u>\$ 16,977,420</u></u>	<u><u>\$ 59,275,384</u></u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Utility District No. 1	Stormwater Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 4,541,285	\$ 1,144,359	\$ 5,685,644
Paid to suppliers for goods and services	(2,840,717)	(228,272)	(3,068,989)
Paid to employees for services	(197,855)	(138,531)	(336,386)
Net Cash Flows From Operating Activities	<u>1,502,713</u>	<u>777,556</u>	<u>2,280,269</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>16,317</u>	<u>1,603</u>	<u>17,920</u>
Net Cash Flows From Investing Activities	<u>16,317</u>	<u>1,603</u>	<u>17,920</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	<u>(590,236)</u>	<u>-</u>	<u>(590,236)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(590,236)</u>	<u>-</u>	<u>(590,236)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	-	(125,000)	(125,000)
Interest paid	-	(51,691)	(51,691)
Special assessments received	95,559	2,506	98,065
Acquisition and construction of capital assets	(1,294,221)	(573,830)	(1,868,051)
Capital contributions received	<u>634,771</u>	<u>46,525</u>	<u>681,296</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(563,891)</u>	<u>(701,490)</u>	<u>(1,265,381)</u>
Net Change in Cash and Cash Equivalents	364,903	77,669	442,572
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,041,570</u>	<u>752,238</u>	<u>5,793,808</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,406,473</u></u>	<u><u>\$ 829,907</u></u>	<u><u>\$ 6,236,380</u></u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Utility District No. 1	Stormwater Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH			
 FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 609,803	\$ 211,318	\$ 821,121
Nonoperating revenue	-	48,048	48,048
Adjustments to Reconcile Operating Income to Net Cash			
Flows From Operating Activities			
Depreciation	848,941	505,870	1,354,811
Depreciation charged to other funds	48,797	-	48,797
Changes in assets and liabilities			
Accounts receivable	(19,250)	(6,525)	(25,775)
Prepays	(1,395)	(413)	(1,808)
Inventories	(4,415)	-	(4,415)
Accounts payable	43,923	16,538	60,461
Compensated absences	(9,584)	3,662	(5,922)
Accrued wages	(14,007)	(8)	(14,015)
Pension related deferrals and assets	(100)	(934)	(1,034)
NET CASH FLOWS FROM OPERATING	\$ 1,502,713	\$ 777,556	\$ 2,280,269
 ACTIVITIES			
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO			
THE STATEMENT OF NET POSITION - PROPRIETARY			
FUNDS			
Cash and investments	\$ 5,224,827	\$ 829,907	\$ 6,054,734
Restricted cash and investments	181,646	-	181,646
CASH AND CASH EQUIVALENTS	\$ 5,406,473	\$ 829,907	\$ 6,236,380
NONCASH CAPITAL AND RELATED FINANCING			
ACTIVITIES			
City and developer financed additions to plant	\$ 1,150,784	\$ 1,374,659	
Capital costs assessed to customers	\$ 102,142	\$ -	
Loss on disposal of assets	\$ 422,653	\$ -	

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 26,122,942
Tax roll receivable	<u>13,574,694</u>
TOTAL ASSETS	<u><u>\$ 39,697,636</u></u>
LIABILITIES	
Due to other taxing units	<u>\$ 39,697,636</u>
TOTAL LIABILITIES	<u><u>\$ 39,697,636</u></u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

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CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Fitchburg, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Housing and Community Development Authority

The government-wide financial statements include the Housing and Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. See Note III.I. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2015. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The city does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the city are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the city believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt.
- General Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

- Stormwater Utility - accounts for operations of the stormwater system.
- Utility District No. 1 Fund - accounts for operations of the water and wastewater system.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Drug Enforcement and Training
Recycling and Refuse Collection
Park Dedication

Cable TV
Cemetery
Library Services

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Municipal Building
Tax Incremental District (TID) No. 6
Tax Incremental District (TID) No. 7

Tax Incremental District (TID) No. 8
Tax Incremental District (TID) No. 9
Tax Incremental District (TID) No. 10

In addition, the city reports the following fund type:

Agency Fund - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Government-Wide Financial Statements (cont.)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, sewer, and stormwater and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2015, there were \$4,334,411 of unrecorded assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility District No. 1 and the Stormwater Utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of city funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- g. Repurchase agreements with public depositories, with certain conditions.

The city has adopted an investment policy. That policy contains the following guidelines for allowable investments. Custodial credit risk - A maximum of \$500,000 may be invested at any one financial institution, except the Local Government Investment Pool, unless properly collateralized by federal government securities having a market value of 100% of the investment or collateralization shall have been waived by the City Council. Concentration of credit risk - With the exception of U.S. Treasury securities and the Local Government Investment Pool, no more than 40% of the city's total investment portfolio should be invested in a single security type or with a single financial institution for extended periods of time.

No policy exists for the following risks:

- Credit risk
- Interest rate risk

At December 31, 2015, the city has deposits which do not meet the custodial credit risk investment policy guidelines and are uninsured and uncollateralized. See Note III.A.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The Madison Community Foundation ("the Foundation") is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the city and the Foundation with respect to investment of city assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2015, the fair value of the Foundation's assets was substantially equal to the city's share as reported in Note III. A.

See Note III. A. for further information.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Real property taxes payment in full, or	January 31, 2016
Real property taxes first installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Utility District No. 1 and Stormwater Utility because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories and Prepaid Items (cont.)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	30 Years
Machinery and Equipment	5-15 Years
Utility System	15-100 Years
Infrastructure	15-50 Years

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The city provides postemployment health insurance benefits for all eligible employees. Eligibility is based on retirement from the city. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert 1,120 hours of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were \$63,633. The number of participants currently eligible to receive benefits is eight. The total amount outstanding at year end to be paid in the future is \$188,247 and is included in the government-wide statement of net position.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015, are determined on the basis of current salary rates and include salary related payments.

7. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved Midwest Disaster Area Bonds for the benefit of private business enterprises. They are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of bonds outstanding at the end of the year is approximately \$58,291,998, made up of two issues.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Government-Wide Statements (cont.)

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 60,626,176	\$ 53,547,126	\$ (2,730,136)	\$111,443,166
Unrestricted	4,325,315	5,444,202	2,730,136	12,499,653

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The city considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The city has a formal minimum fund balance policy to maintain its general fund unrestricted fund balance at a minimum between 15 and 25% of total general fund annual revenues plus the amount of state shared revenue received during the previous year. The balance at year end was \$5,207,357, or 29%.

See Note III. G. for further information.

10. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on July 1, 2012.

Sewer Utility

Current sewer rates were approved by the City Council and they are updated every year based on treatment cost. The new rates are effective on January 1st of each year.

Stormwater Utility

Current stormwater rates were approved by the City Council effective January 1, 2014.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, certain special revenue, debt service and certain capital projects funds. A budget has not been formally adopted for the cemetery fund, TID No. 9, and TID No. 10. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
General debt service	\$ 5,127,652	\$ 5,208,295	\$ 80,643
TID No. 4	2,022,764	2,880,266	857,502
TID No. 6	279,450	1,414,607	1,135,157
TID No. 7	-	38,714	38,714
TID No. 8	200	325	125

The city controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2015, the following individual funds held a deficit balance:

Fund	Amount	Reason
Municipal building	\$ 12,462	Expenditures in excess of revenues
TID No. 8	24,510	Expenditures in excess of revenues
TID No. 9	27,663	Expenditures in excess of revenues
TID No. 10	3,896	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. The municipal building fund deficit is anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 37,480,949	\$ 37,712,936	Custodial credit
US agencies-implicitly guaranteed	3,210,765	3,210,765	Credit, custodial credit, concentration of credit, and interest rate
LGIP	14,190,595	14,190,595	Credit
Madison Community Foundation	120,935	120,935	Interest rate and credit
Petty cash	650	-	N/A
Total Deposits and Investments	<u>\$ 55,003,894</u>	<u>\$ 55,235,231</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 26,989,850		
Restricted cash and investments	1,233,849		
Cash and investments - component unit	657,253		
Per statement of assets and liabilities -			
agency fund			
Agency Fund	<u>26,122,942</u>		
Total Deposits and Investments	<u>\$ 55,003,894</u>		

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the city's investments are covered by SIPC. Additionally, through Lloyds of London, accounts have additional securities coverage of \$99.5 million per customer, subject to a \$500 million aggregate firm limit. \$5,669,242 of the city's investments are covered by Lloyds of London.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

As of December 31, 2015, \$12,855,359 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,855,359
Total	\$ 12,855,359

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2015, the city's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
FHLB	AA	AAA
FHLMC	AA	AAA
FFCB	AA	AAA

The city also held investments in the following external pools which are not rated:

LGIP

Madison Community Foundation

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	US Agency-implicitly guaranteed	12.00%

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2015, the city's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB	12/30/20	06/30/16	\$ 214,374
FHLB	03/16/21	03/16/16	340,367
FHLB	11/23/21	02/23/16	489,930
FFCB	10/13/22	10/13/16	494,240
FHLB	10/14/22	01/14/16	366,289
FHLB	11/09/22	02/09/16	244,965
FHLB	11/18/22	02/18/16	369,985
FHLB	12/19/22	03/19/16	298,203
FHLB	01/30/23	01/30/16	392,412
Total			<u>\$ 3,210,765</u>

The average maturity for the \$120,935 held in the Madison Community Foundation was not available.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund
Receivables	
Taxes	\$ 13,863,215
Delinquent personal property taxes	169,728
Accounts	3,040,390
Delinquent special assessments	6,957
Land contract	18,277
Gross receivables	17,098,567
Less: Allowance for uncollectibles	<u>(2,536,025)</u>
Net Total Receivables	<u>\$ 14,562,542</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

All of the receivables on the balance sheet are expected to be collected within one year, except for \$11,785 of delinquent personal property taxes, \$6,957 of delinquent special assessments, and the land contract of \$18,277.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 27,530,777	\$ -
Special assessments not yet due	-	623,757
Land contract	-	18,277
Other unearned revenues	1,185	-
Other unavailable revenues	<u>-</u>	<u>149,985</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 27,531,962</u>	<u>\$ 792,019</u>

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Impact Fee Account

The city has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2015:

	Restricted Assets
Impact fee account	\$ 976,697
Net pension asset - governmental activities	2,055,892
Net pension asset - business-type activities	102,410
Donor-restricted	<u>257,152</u>
Total	<u>\$ 3,392,151</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 21,623,679	\$ 1,286,395	\$ 24,518	\$ 22,885,556
Construction in progress	<u>2,728,188</u>	<u>851,806</u>	<u>129,963</u>	<u>3,450,031</u>
Total Capital Assets Not Being Depreciated	<u>24,351,867</u>	<u>2,138,201</u>	<u>154,481</u>	<u>26,335,587</u>
Capital assets being depreciated				
Land improvements	412,878	-	-	412,878
Buildings and improvements	28,494,916	172,934	-	28,667,850
Machinery and equipment	11,579,354	646,704	635,359	11,590,699
Infrastructure	<u>52,918,094</u>	<u>2,731,722</u>	<u>221,789</u>	<u>55,428,027</u>
Total Capital Assets Being Depreciated	<u>93,405,242</u>	<u>3,551,360</u>	<u>857,148</u>	<u>96,099,454</u>
Total Capital Assets	<u>117,757,109</u>	<u>5,689,561</u>	<u>1,011,629</u>	<u>122,435,041</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Land improvements	\$ (357,665)	\$ (3,118)	\$ -	\$ (360,783)
Buildings and improvements	(8,917,472)	(540,876)	-	(9,458,348)
Machinery and equipment	(6,683,151)	(749,183)	452,365	(6,979,969)
Infrastructure	(10,650,763)	(917,533)	53,315	(11,514,981)
Total Accumulated Depreciation	<u>(26,609,051)</u>	<u>(2,210,710)</u>	<u>505,680</u>	<u>(28,314,081)</u>
Net Capital Assets Being Depreciated	<u>66,796,191</u>	<u>1,340,650</u>	<u>351,468</u>	<u>67,785,373</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 91,148,058</u>	<u>\$ 3,478,851</u>	<u>\$ 505,949</u>	<u>\$ 94,120,960</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 564,478
Public safety	243,320
Public works, which includes the depreciation of infrastructure	938,863
Culture, education and recreation	<u>464,049</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,210,710</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated/amortized				
Land and land rights	\$ 359,093	\$ -	\$ -	\$ 359,093
Intangible plant - land	32,820	64	-	32,884
Construction in progress	97,473	1,058,346	990,779	165,040
Total Capital Assets Not Being Depreciated/Amortized	<u>489,386</u>	<u>1,058,410</u>	<u>990,779</u>	<u>557,017</u>
Capital assets being depreciated				
Buildings and improvements	1,177,022	-	-	1,177,022
Machinery and equipment	2,062,755	136,337	37,983	2,161,109
Infrastructure	28,124,175	1,847,464	1,388,654	28,582,985
Total Capital Assets Being Depreciated	<u>31,363,952</u>	<u>1,983,801</u>	<u>1,426,637</u>	<u>31,921,116</u>
Total Capital Assets	<u>31,853,338</u>	<u>3,042,211</u>	<u>2,417,416</u>	<u>32,478,133</u>
Less: Accumulated depreciation for				
Buildings and improvements	(473,281)	(37,665)	-	(510,946)
Machinery and equipment	(1,674,975)	(106,041)	37,983	(1,743,033)
Infrastructure	(6,771,794)	(1,031,838)	1,388,654	(6,414,978)
Total Accumulated Depreciation	<u>(8,920,050)</u>	<u>(1,175,544)</u>	<u>1,426,637</u>	<u>(8,668,957)</u>
Net Capital Assets Being Depreciated	<u>22,443,902</u>	<u>808,257</u>	<u>-</u>	<u>23,252,159</u>
Net Water Capital Assets	<u>\$ 22,933,288</u>	<u>\$ 1,866,667</u>	<u>\$ 990,779</u>	<u>\$ 23,809,176</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated/amortized				
Land and land rights	\$ 110,910	\$ -	\$ -	\$ 110,910
Intangible plant - land	25,834	5,933	-	31,767
Construction in progress	-	14,067	-	14,067
Total Capital Assets Not Being Depreciated/Amortized	<u>136,744</u>	<u>20,000</u>	<u>-</u>	<u>156,744</u>
Capital assets being depreciated				
Machinery and equipment	518,698	18,413	-	537,111
Infrastructure	15,371,793	346,316	27,697	15,690,412
Intangible	197,057	-	-	197,057
Total Capital Assets Being Depreciated	<u>16,087,548</u>	<u>364,729</u>	<u>27,697</u>	<u>16,424,580</u>
Total Capital Assets	<u>16,224,292</u>	<u>384,729</u>	<u>27,697</u>	<u>16,581,324</u>
Less: Accumulated depreciation for				
Machinery and equipment	(484,916)	(2,548)	-	(487,464)
Infrastructure	(2,979,853)	(201,227)	27,697	(3,153,383)
Intangible	(132,268)	(432)	-	(132,700)
Total Accumulated Depreciation	<u>(3,597,037)</u>	<u>(204,207)</u>	<u>27,697</u>	<u>(3,773,547)</u>
Net Capital Assets Being Depreciated	<u>12,490,511</u>	<u>160,522</u>	<u>-</u>	<u>12,651,033</u>
Net Sewer Capital Assets	<u>\$ 12,627,255</u>	<u>\$ 180,522</u>	<u>\$ -</u>	<u>\$ 12,807,777</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets not being depreciated/amortized				
Land and land rights	\$ 4,411,009	\$ 384,198	\$ -	\$ 4,795,207
Intangible plant - land	408,885	24,172	-	433,057
Construction in progress	<u>25,304</u>	<u>255,748</u>	<u>257,021</u>	<u>24,031</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>4,845,198</u>	<u>664,118</u>	<u>257,021</u>	<u>5,252,295</u>
Capital assets being depreciated				
Buildings and improvements	1,748,816	133,290	3,300	1,878,806
Machinery and equipment	225,243	237,362	173,047	289,558
Infrastructure	<u>15,524,276</u>	<u>1,000,224</u>	<u>52,537</u>	<u>16,471,963</u>
Total Capital Assets Being Depreciated	<u>17,498,335</u>	<u>1,370,876</u>	<u>228,884</u>	<u>18,640,327</u>
Total Capital Assets	<u>22,343,533</u>	<u>2,034,994</u>	<u>485,905</u>	<u>23,892,622</u>
Less: Accumulated depreciation for				
Buildings and improvements	(384,429)	(36,276)	3,300	(417,405)
Machinery and equipment	(200,621)	(27,292)	149,599	(78,314)
Infrastructure	<u>(5,801,965)</u>	<u>(442,302)</u>	<u>52,537</u>	<u>(6,191,730)</u>
Total Accumulated Depreciation	<u>(6,387,015)</u>	<u>(505,870)</u>	<u>205,436</u>	<u>(6,687,449)</u>
Net Capital Assets Being Depreciated	<u>11,111,320</u>	<u>865,006</u>	<u>23,448</u>	<u>11,952,878</u>
Net Stormwater Capital Assets	<u>\$ 15,956,518</u>	<u>\$ 1,529,124</u>	<u>\$ 280,469</u>	<u>\$ 17,205,173</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,517,061</u>	<u>\$ 3,576,313</u>	<u>\$ 1,271,248</u>	<u>\$ 53,822,126</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 644,734
Sewer	204,207
Storm	<u>505,870</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,354,811</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Utility District No. 1	\$ 617,201	\$ -
Total - Fund Financial Statements		617,201	
Add: Interfund advances (see schedule on p. 41)		<u>1,012,767</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 1,629,968</u>	

The principal purpose of the interfunds between the general fund and the utility is for payment in lieu of taxes. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general fund is advancing funds to TID No. 8, TID No. 9, TID No. 10, and municipal building funds. The amount advanced is determined by the deficit cash balance. No repayment schedule has been established.

The general capital projects fund is advancing funds to the Stormwater Utility. The purpose of the advance is for acquisition of land for the Stormwater Utility. Interest is being accrued at 2.00 - 3.125%. A repayment schedule has been established and requires the Stormwater Utility to make quarterly principal payments of \$13,985, plus accrued interest, until the advance is repaid.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Municipal building	\$ 12,462	\$ 12,462
General fund	TID No. 8	24,700	24,700
General fund	TID No. 9	30,000	30,000
General fund	TID No. 10	5,000	5,000
General capital projects fund	Stormwater Utility	<u>1,012,767</u>	956,827
Total - Fund Financial Statements		1,084,929	
Less: Fund eliminations		<u>(72,162)</u>	
Total - Interfund Advances		<u><u>\$ 1,012,767</u></u>	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Utility District No. 1	\$ 617,201	Tax-equivalent
Debt service fund	TID. No. 4	1,095,990	Debt repayment on developer incentive - trust fund
Debt service fund	Recycling and refuse	2,513	Rent
Capital projects fund	Park dedication	12,500	Capital projects
General Capital Projects Fund	Library Services Fund	16,000	Capital projects
General Capital Projects Fund	Cable	37,000	Capital projects
General Capital Projects Fund	General Debt Service	<u>390,000</u>	Capital projects
Total - Fund Financial Statements		2,171,204	
Less: Fund eliminations		<u>(1,554,003)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 617,201</u></u>	

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 37,362,170	\$ 8,325,000	\$ 3,732,170	\$ 41,955,000	\$ 4,410,000
Other Liabilities					
Vested compensated absences	2,023,691	342,990	277,277	2,089,404	311,760
Total Governmental Activities Long-Term Liabilities	<u>\$ 39,385,861</u>	<u>\$ 8,667,990</u>	<u>\$ 4,009,447</u>	<u>\$ 44,044,404</u>	<u>\$ 4,721,760</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 400,000	-	125,000	275,000	125,000
Other Liabilities					
Vested compensated absences	190,036	15,967	21,889	184,114	68,944
Total Business-type Activities Long-Term Liabilities	<u>\$ 590,036</u>	<u>\$ 15,967</u>	<u>\$ 146,889</u>	<u>\$ 459,114</u>	<u>\$ 193,944</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2015, was \$135,570,085. Total general obligation debt outstanding at year end was \$42,230,000.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies. Debt issued in the form of tax-exempt bonds is subject to federal arbitrage regulations.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
2005 general obligation refunding bonds	8/1/05	8/1/17	3.00-3.75%	\$ 5,888,920	\$ 1,525,000
2007 general obligation promissory note	9/13/07	8/1/17	3.70-4.00%	860,000	145,000
2009 general obligation promissory note	9/16/09	9/1/19	2.00-3.125%	5,295,000	2,115,000
2010 taxable general obligation promissory note	11/18/10	11/1/30	0.70-5.25%	4,995,000	4,040,000
2010 taxable general obligation library bonds	11/18/10	11/1/20	0.65-3.60%	2,550,000	1,355,000
2011 general obligation promissory notes	12/13/11	12/1/21	2.00-2.10%	1,190,000	460,000
2011 general obligation bonds	12/13/11	12/1/27	2.00-2.850%	5,395,000	5,075,000
2012 general obligation promissory note	3/21/12	3/1/22	1.00-2.00%	6,195,000	4,010,000
2012 general obligation corporate purpose bonds	3/21/12	3/1/29	2.00-3.00%	15,350,000	13,860,000
2012 taxable general obligation refunding bonds	3/21/12	3/1/17	0.40-1.30%	500,000	130,000
2013 general obligation promissory notes	11/14/13	11/1/23	0.40-2.35%	1,040,000	915,000
2015 general obligation promissory notes	4/14/15	4/1/25	1.00-2.00%	3,240,000	3,240,000
2015 general obligation corporate purpose bonds	4/14/15	4/1/35	2.00-3.00%	5,085,000	<u>5,085,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 41,955,000</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
2007 general obligation promissory note	9/13/07	8/1/17	3.70-4.00%	\$ 625,000	<u>\$ 275,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 275,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 4,410,000	\$ 1,038,073	\$ 125,000	\$ 10,938
2017	4,420,000	937,891	150,000	6,000
2018	3,740,000	827,703	-	-
2019	3,970,000	742,817	-	-
2020	3,130,000	655,150	-	-
2021-2025	14,675,000	2,249,518	-	-
2026-2030	7,270,000	546,212	-	-
2031-2035	<u>340,000</u>	<u>27,000</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 41,955,000</u>	<u>\$ 7,024,364</u>	<u>\$ 275,000</u>	<u>\$ 16,938</u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 22,885,556
Construction in progress	3,450,031
Other capital assets, net of accumulated depreciation	67,785,373
Less: Long-term debt outstanding	(41,955,000)
Plus: Unspent capital related debt proceeds	89,293
Plus: Noncapital debt proceeds	<u>8,370,923</u>
Total Net Investment in Capital Assets	<u>\$ 60,626,176</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

	General Fund	General Debt Service	General Capital Projects	TID No. 4	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Delinquent personal property taxes	\$ 11,785	\$ -	\$ -	\$ -	\$ -	\$ 11,785
Delinquent special assessments	6,957	-	-	-	-	6,957
Advances to other funds	72,162	-	1,012,767	-	-	1,084,929
Prepaid items	314,896	-	-	-	4,351	319,247
Restricted for:						
Capital projects	-	-	137,160	-	-	137,160
Park and recreational improvement fees	-	-	-	-	1,511,189	1,511,189
Fire impact fees	-	-	795,051	-	-	795,051
Library	-	-	-	-	405,064	405,064
Library projects	-	-	155,746	-	-	155,746
TID activities	-	-	-	5,135,082	2,766,595	7,901,677
Park projects	53,539	-	-	-	-	53,539
Committed to:						
Drug enforcement and training	-	-	-	-	18,713	18,713
Recycling and refuse	-	-	-	-	299,604	299,604
Cable TV	-	-	-	-	595,880	595,880
Cemetery	-	-	-	-	10,465	10,465
Assigned to:						
Debt service	-	203,490	-	-	-	203,490
Capital projects	-	-	1,695,332	-	-	1,695,332
Payment in lieu of taxes	617,201	-	-	-	-	617,201
Employee retirement	90,000	-	-	-	-	90,000
Next year's budget	1,267,000	-	-	-	-	1,267,000
Unassigned (deficit):	<u>5,207,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,531)</u>	<u>5,138,826</u>
Total Fund Balances	<u>\$ 7,640,897</u>	<u>\$ 203,490</u>	<u>\$ 3,796,056</u>	<u>\$ 5,135,082</u>	<u>\$ 5,543,330</u>	<u>\$ 22,318,855</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 5,265,210
Construction in progress	203,138
Intangible plant - land	694,765
Other capital assets, net of accumulated depreciation	47,659,013
Less: Long-term debt outstanding	<u>(275,000)</u>
Total Net Investment in Capital Assets	<u><u>\$ 53,547,126</u></u>

H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Utility District No. 1</u>	<u>Stormwater Utility</u>
Net Position - December 31, 2014 (as reported)	\$ 65,888,479	\$ 56,243,796	\$ 40,761,369	\$ 15,482,427
Add: Net pension asset	3,311,006	164,931	132,408	32,523
Add: Deferred outflows related to pensions	<u>809,349</u>	<u>40,316</u>	<u>32,366</u>	<u>7,950</u>
Net position - December 31, 2014 (as restated)	<u><u>\$ 70,008,834</u></u>	<u><u>\$ 56,449,043</u></u>	<u><u>\$ 40,926,143</u></u>	<u><u>\$ 15,522,900</u></u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT

HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

This report contains the Housing and Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$657,253 and is part of the city's commingled cash. See Note III. A.

c. Loans Receivable

In 1999, the city established a revolving loan fund by providing \$375,000 of development incentive money to the CDA. At December 31, 2015, the CDA's loans receivable balance was \$189,642 and its allowance for doubtful accounts was \$123,319, leaving a net receivable balance of \$66,323.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pension. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$848,534 in contributions from the city.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the city reported an asset of \$2,158,302 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.08786894%, which was a decrease of 0.00029691% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized pension expense of \$819,162.

At December 31, 2015, the city reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 312,887
Net differences between projected and actual earnings on pension plan investments	1,045,154
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,381
Employer contributions subsequent to the measurement date	838,381
Totals	<u>\$ 2,197,803</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$838,381 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 332,938	\$ -
2017	332,938	-
2018	332,938	-
2019	332,938	-
2020	27,672	-

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the city's proportionate share of the net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset/(liability)	\$(6,088,940)	\$2,158,302	\$8,671,640

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the city attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the city's financial position or results of operations.

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The city has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

In 2007, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$1,923,108, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 4. Payments are scheduled through the year 2018, and carry an interest rate of 7%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$604,231. A scheduled payment in the amount of \$187,947 was made on April 1, 2016. The remaining balance of \$416,284 was paid on April 28, 2016.

In 2007, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$2,200,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 4. Payments are scheduled through the year 2017 and carry an interest rate of 6%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability on the accompanying financial statements. The balance of the commitment outstanding at year end was \$917,980. A scheduled payment in the amount of \$196,409 was made on April 1, 2016. The remaining balance of \$721,571 was paid on April 27, 2016.

In 2009, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$3,500,000, and is payable to the developers solely from tax increments collected from specific portions of the development in TIF No. 6. Payments are scheduled through the year 2017 and carry an interest rate of 6.5%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability on the accompanying financial statements. The balance of the commitment outstanding at year end was \$896,324. A scheduled payment in the amount of \$448,162 was made on April 1, 2016. The remaining balance of \$448,162 was paid on April 19, 2016.

In 2014, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$4,000,000, and is payable solely from tax increments collected from a specific portion of the development in TIF No. 4. Payments are scheduled through the year 2025 and carry an interest rate of 6%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further obligation to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability on the accompanying financial statements. The balance of the commitment outstanding at year end was \$3,750,000.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES

FitchRona EMS District

The City of Fitchburg, City of Verona, and Town of Verona jointly operate the local EMS District, which is called the FitchRona EMS District.

The district adopts its own budget. Net operating costs including debt service are shared by the three communities based on the ratio of equalized values. The department is governed by the FitchRona EMS Commission. The board consists of the citizens from each community. City of Fitchburg representatives are appointed by the mayor (2 members) and city council (1 member). The city made a payment to the district in 2015 of \$464,355.

Financial information of the district is available directly from the district's office.

The city's equity interest in the district is equal to its percentage share of participation. The equity interest is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

Multijurisdictional Public Safety Information System Commission (MPSISC)

The City of Fitchburg, City of Sun Prairie, City of Middleton, City of Verona, and City of Monona jointly operate the Multijurisdictional Public Safety Information System Commission. On March 20, 2003, the City of Middleton, City of Fitchburg, and City of Sun Prairie executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes. The City of Verona and the City of Monona joined the commission in 2009. The commission adopts its own budget. Net operating costs including debt service are shared by the three communities equally. The department is governed by the Intermunicipal Commission. The commission consists of one representative from each community. The city's share of the joint costs was \$215,508 in 2015. The transactions of the commission are not reflected in these financial statements.

The city does not have an equity interest in this joint venture.

Town of Madison Cooperative Plan

On November 8, 2002, the Town of Madison, City of Fitchburg, and City of Madison executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the town and existing town property owners and residents. The plan provides for the eventual dissolution of the Town after a protected period of up to 20 years, but allows early annexations within several areas to address near-term problems and opportunities.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Town of Madison Cooperative Plan (cont.)

The plan shall terminate on October 30, 2022, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the City of Madison, City of Fitchburg and Town of Madison Cooperative Plan can be obtained at the Town of Madison, 2120 Fish Hatchery Road, Madison, WI 53713.

E. SUBSEQUENT EVENTS

The city was party to a lawsuit whereby the plaintiff sued for additional compensation for a parcel of land that the city purchased in 2009. The case went to trial in 2016 and the city received a judgment against it and was required to pay \$255,780 plus 5% interest from 14 days after the date of taking as a result.

On April 26, 2016, the city authorized the issuance of \$4,515,000 general obligation promissory notes for public purposes, including financing street improvements, bridge and pedestrian and bike system improvements, fire department improvements and equipment, park improvements, acquisition of municipal equipment and other 2016 capital improvement projects.

On April 26, 2016, the city authorized the issuance of \$5,310,000 general obligation fire station bonds to finance the construction of an engine house.

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved Statement No. 72 through Statement No. 82 that are not yet effective. When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FITCHBURG

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
TAXES				
General property taxes	\$ 13,009,593	\$ 13,009,593	\$ 12,991,500	\$ (18,093)
Mobile home lottery credit and parking fees	3,800	3,800	4,191	391
Public accommodation (room) taxes	24,083	24,083	27,788	3,705
Other taxes	-	-	18,811	18,811
Interest and penalties on taxes	4,000	4,000	6,739	2,739
Total Taxes	13,041,476	13,041,476	13,049,029	7,553
INTERGOVERNMENTAL REVENUES				
State shared revenues	474,211	474,211	487,960	13,749
Payments for municipal services	49,500	49,500	49,969	469
State aid - general transportation aids	1,232,432	1,232,432	1,232,433	1
State aid - DNR lands	24,000	24,000	24,700	700
Fire insurance tax (2% fire dues)	98,000	98,000	97,239	(761)
State aid - exempt computer aid	157,500	157,500	159,436	1,936
Federal aid - land	1,900	1,900	1,782	(118)
Other police grants	-	-	18,255	18,255
Federal aid - parks/urban forestry	19,578	19,578	19,578	-
Federal aid - law enforcement	-	-	4,025	4,025
County aid - senior	46,347	46,347	48,173	1,826
County aid - planning	-	2,620	2,598	(22)
Total Intergovernmental Revenues	2,103,468	2,106,088	2,146,148	40,060
LICENSES AND PERMITS				
Business and occupational licenses	37,270	37,270	53,784	16,514
Other nonbusiness licenses	8,797	8,797	10,101	1,304
Building permits	261,000	261,000	561,311	300,311
Zoning permits and fees	120,000	120,000	243,300	123,300
Other regulatory permits and fees	15,000	15,000	23,107	8,107
Total Licenses and Permits	442,067	442,067	891,603	449,536
FINES AND FORFEITURES				
Law and ordinance violations	540,000	540,000	314,518	(225,482)

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC CHARGES FOR SERVICES				
General government	\$ 12,000	\$ 12,000	\$ 16,520	\$ 4,520
Public safety	27,150	27,150	25,433	(1,717)
Engineering	-	-	5,208	5,208
Senior program fees	16,600	16,600	22,992	6,392
Recreation programs	145,000	145,000	157,306	12,306
Shelter and rental fees	25,000	25,000	33,900	8,900
Other public charges for services	2,300	2,300	6,699	4,399
Total Public Charges for Services	<u>228,050</u>	<u>228,050</u>	<u>268,058</u>	<u>40,008</u>
SPECIAL ASSESSMENTS				
Interest on delinquent special assessments	<u>1,000</u>	<u>1,000</u>	<u>1,518</u>	<u>518</u>
INVESTMENT INCOME				
Investment income	<u>110,050</u>	<u>110,050</u>	<u>124,398</u>	<u>14,348</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - emergency services	<u>90,114</u>	<u>90,114</u>	<u>84,790</u>	<u>(5,324)</u>
Total Intergovernmental Charges for Services	<u>90,114</u>	<u>90,114</u>	<u>84,790</u>	<u>(5,324)</u>
MISCELLANEOUS				
Rental of city buildings	10,000	10,000	15,239	5,239
Cemetery	30	30	30	-
WPRA ticket commission	150	150	132	(18)
Insurance rebate	68,800	68,800	50,634	(18,166)
Reimbursement from stormwater	90,000	90,000	54,816	(35,184)
Maintenance facility reimbursement from utility	2,100	2,100	1,257	(843)
Tower lease	20,600	20,600	18,240	(2,360)
Transfer from CDA	50,141	52,761	54,261	1,500
Administrative charges to utilities	73,900	73,900	73,900	-
Administrative charges to library	110,000	110,000	110,000	-
Administrative charges to cable	22,200	22,200	22,200	-
Brush collection reimbursement	20,000	20,000	20,000	-
Senior advertising sales	2,500	2,500	4,082	1,582
Reimbursement from TIFs	48,000	48,000	44,963	(3,037)
Donations	700	700	5,653	4,953
Other miscellaneous	3,000	3,000	845	(2,155)
Insurance recoveries	-	-	31,486	31,486
Total Miscellaneous	<u>522,121</u>	<u>524,741</u>	<u>507,738</u>	<u>(17,003)</u>
Total Revenues	<u>17,078,346</u>	<u>17,083,586</u>	<u>17,387,800</u>	<u>304,214</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor and city council	\$ 68,063	\$ 68,063	\$ 73,323	\$ (5,260)
Administrator	381,688	394,191	392,976	1,215
Municipal court	164,776	172,094	163,005	9,089
Clerk's office	354,105	354,105	328,944	25,161
Legal counsel	190,874	190,874	191,193	(319)
Finance and treasury	284,322	284,322	271,973	12,349
Information technology	386,539	389,134	352,054	37,080
Assessment of property	408,587	408,803	370,657	38,146
Accounting and auditing	42,000	42,000	34,872	7,128
Other buildings - safety	37,775	37,775	44,234	(6,459)
Other buildings - fire	34,475	34,475	47,005	(12,530)
Other buildings - maintenance	42,500	42,500	41,218	1,282
Police evidence processing facility	8,800	8,800	9,420	(620)
Property and liability insurance	417,295	417,295	390,514	26,781
Employee bonds	1,450	1,450	100	1,350
Office supplies	16,000	16,000	11,661	4,339
Miscellaneous	13,350	13,350	13,422	(72)
Illegal taxes	-	-	38,367	(38,367)
Employee retirement reserve	43,560	43,560	47,117	(3,557)
Professional services	50,000	50,000	50,000	-
Contingency	12,500	12,500	-	12,500
New city hall	328,085	328,085	356,759	(28,674)
Merit pay	27,250	27,250	-	27,250
Bad debt expense	-	-	60,126	(60,126)
Total General Government	<u>3,313,994</u>	<u>3,336,626</u>	<u>3,288,940</u>	<u>47,686</u>
PUBLIC SAFETY				
Law enforcement	6,494,991	6,460,607	6,410,271	50,336
Fire suppression and prevention	2,497,422	2,486,650	2,190,625	296,025
Joint public safety system	221,217	221,217	215,508	5,709
Building inspection	345,138	343,878	309,922	33,956
EMS district	464,855	464,855	464,630	225
Weights and measures	3,600	3,600	3,600	-
Dane Com	82,467	82,467	45,843	36,624
Other public safety	1,928	1,928	1,286	642
Total Public Safety	<u>10,111,618</u>	<u>10,065,202</u>	<u>9,641,685</u>	<u>423,517</u>
PUBLIC WORKS				
Mass transit - bus subsidy	425,000	425,000	407,889	17,111
Highway department	<u>1,714,245</u>	<u>1,696,786</u>	<u>1,639,068</u>	<u>57,718</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
HEALTH AND HUMAN SERVICES				
Senior citizens program	\$ 433,172	\$ 460,528	\$ 467,098	\$ (6,570)
Total Health and human services	<u>433,172</u>	<u>460,528</u>	<u>467,098</u>	<u>(6,570)</u>
CULTURE, EDUCATION AND RECREATION				
Parks	806,418	797,307	780,677	16,630
Community center	71,795	71,795	67,311	4,484
Recreation programs and events	<u>283,295</u>	<u>286,596</u>	<u>296,174</u>	<u>(9,578)</u>
Total Culture, Education and Recreation	<u>1,161,508</u>	<u>1,155,698</u>	<u>1,144,162</u>	<u>11,536</u>
CONSERVATION AND DEVELOPMENT				
Zoning	329,897	343,542	331,237	12,305
Economic and community development	<u>207,912</u>	<u>219,204</u>	<u>220,521</u>	<u>(1,317)</u>
Total Conservation and Development	<u>537,809</u>	<u>562,746</u>	<u>551,758</u>	<u>10,988</u>
Total Expenditures	<u>17,697,346</u>	<u>17,702,586</u>	<u>17,140,600</u>	<u>561,986</u>
Excess of revenues over expenditures	<u>(619,000)</u>	<u>(619,000)</u>	<u>247,200</u>	<u>866,200</u>
OTHER FINANCING SOURCES				
Property sales	-	-	6,417	6,417
Transfers in	<u>619,000</u>	<u>619,000</u>	<u>617,201</u>	<u>(1,799)</u>
Total Other Financing Sources	<u>619,000</u>	<u>619,000</u>	<u>623,618</u>	<u>4,618</u>
Net Change in Fund Balance	-	-	870,818	870,818
FUND BALANCE - Beginning of Year	<u>6,770,079</u>	<u>6,770,079</u>	<u>6,770,079</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 6,770,079</u>	<u>\$ 6,770,079</u>	<u>\$ 7,640,897</u>	<u>\$ 870,818</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.08786894%	\$ 2,158,302	\$ 10,010,948	21.56%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,543,890	\$ 1,543,890	\$ -	\$ 10,331,881	14.94%

See independent auditors' report and accompanying notes to the required supplementary information.

CITY OF FITCHBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The department heads may authorize transfers of up to 5% and no more than \$5,000 of their department budget within their respective departments, with mayoral approval. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The city is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND (MAJOR FUND) For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 3,618,232	\$ 3,618,232	\$ 3,618,232	\$ -
Intergovernmental	70,703	70,703	70,821	118
Special assessments	189,972	189,972	194,636	4,664
Investment income	19,500	19,500	27,375	7,875
Intergovernmental charges for services	-	-	-	-
Miscellaneous	90,742	90,742	73,337	(17,405)
Total Revenues	3,989,149	3,989,149	3,984,401	(4,748)
EXPENDITURES				
Debt Service				
Principal	4,032,171	3,732,171	3,732,170	1
Interest and fiscal charges	1,055,481	1,005,481	1,086,125	(80,644)
Total Expenditures	5,087,652	4,737,652	4,818,295	(80,643)
Excess (deficiency) of revenues over expenditures	(1,098,503)	(748,503)	(833,894)	(85,391)
OTHER FINANCING SOURCES (USES)				
Premium on debt issued	-	40,000	190,066	150,066
Transfers in	1,098,503	1,098,503	1,098,503	-
Transfers out	-	(390,000)	(390,000)	-
Total Other Financing Sources (Uses)	1,098,503	748,503	898,569	150,066
Net Change in Fund Balance	-	-	64,675	64,675
FUND BALANCE - Beginning	138,815	138,815	138,815	-
FUND BALANCE - ENDING	\$ 138,815	\$ 138,815	\$ 203,490	\$ 64,675

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND (MAJOR FUND) For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,145,386	\$ 1,145,386	\$ 1,145,386	\$ -
Intergovernmental	541,845	541,845	559,203	17,358
Special assessments	10,000	10,000	27,608	17,608
Investment income	-	-	27,026	27,026
Miscellaneous	43,000	56,000	416,748	360,748
Total Revenues	<u>1,740,231</u>	<u>1,753,231</u>	<u>2,175,971</u>	<u>422,740</u>
EXPENDITURES				
Capital Outlay	3,411,183	3,876,022	3,028,298	847,724
Debt Service				
Interest and fiscal charges	-	-	42,894	(42,894)
Total Expenditures	<u>3,411,183</u>	<u>3,876,022</u>	<u>3,071,192</u>	<u>804,830</u>
Excess (deficiency) of revenues over expenditures	<u>(1,670,952)</u>	<u>(2,122,791)</u>	<u>(895,221)</u>	<u>1,227,570</u>
OTHER FINANCING SOURCES				
Debt issued	1,486,452	1,526,085	3,375,000	1,848,915
Property sales	66,500	66,500	65,521	(979)
Transfers in	53,000	455,500	455,500	-
Total Other Financing Sources	<u>1,605,952</u>	<u>2,048,085</u>	<u>3,896,021</u>	<u>1,847,936</u>
Net Change in Fund Balance	(65,000)	(74,706)	3,000,800	3,075,506
FUND BALANCE - Beginning	<u>795,256</u>	<u>795,256</u>	<u>795,256</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 730,256</u>	<u>\$ 720,550</u>	<u>\$ 3,796,056</u>	<u>\$ 3,075,506</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 4 FUND (MAJOR FUND) For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 3,162,243	\$ 3,162,243	\$ 3,337,602	\$ 175,359
Intergovernmental	542,500	542,500	521,403	(21,097)
Investment income	9,400	9,400	10,870	1,470
Total Revenues	<u>3,714,143</u>	<u>3,714,143</u>	<u>3,869,875</u>	<u>155,732</u>
EXPENDITURES				
Capital outlay	2,022,764	2,022,764	1,775,104	247,660
Debt service - interest and fiscal charges	-	-	9,172	(9,172)
Total Expenditures	<u>2,022,764</u>	<u>2,022,764</u>	<u>1,784,276</u>	<u>238,488</u>
Excess of revenues over expenditures	<u>1,691,379</u>	<u>1,691,379</u>	<u>2,085,599</u>	<u>394,220</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	955,000	955,000
Transfers out	-	-	(1,095,990)	(1,095,990)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(140,990)</u>	<u>(140,990)</u>
Net Change in Fund Balance	1,691,379	1,691,379	1,944,609	253,230
FUND BALANCE - Beginning	<u>3,190,473</u>	<u>3,190,473</u>	<u>3,190,473</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 4,881,852</u>	<u>\$ 4,881,852</u>	<u>\$ 5,135,082</u>	<u>\$ 253,230</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Special Revenue Funds		
	Drug Enforcement and Training	Recycling and Refuse Collection	Park Dedication
ASSETS			
Cash and investments	\$ 19,028	\$ 308,605	\$ 1,585,324
Taxes receivable	-	824,162	-
Accounts receivable	-	3,000	-
Due from other governments	-	-	-
Prepaid items	1,503	-	-
TOTAL ASSETS	\$ 20,531	\$ 1,135,767	\$ 1,585,324
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 315	\$ 258	\$ 18,750
Accrued liabilities	-	2,535	-
Deposits	-	9,350	55,385
Advances from other funds	-	-	-
Total Liabilities	315	12,143	74,135
Deferred Inflows of Resources			
Unearned revenues	-	824,020	-
Total Deferred Inflows of Resources	-	824,020	-
Fund Balances (Deficit)			
Nonspendable	1,503	-	-
Restricted	-	-	1,511,189
Committed	18,713	299,604	-
Unassigned (deficit)	-	-	-
Total Fund Balances (deficit)	20,216	299,604	1,511,189
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,531	\$ 1,135,767	\$ 1,585,324

Special Revenue Funds				Capital Projects Funds		
Cable TV	Cemetery	Library Services	Municipal Building	TID No. 6	TID No. 7	TID No. 8
\$ 516,272	\$ 10,465	\$ 444,663	\$ -	\$ 2,650,858	\$ 349,464	\$ 190
-	-	1,663,679	-	2,584,211	151,164	-
85,225	-	597	-	-	-	-
-	-	-	-	98,102	-	-
-	-	2,848	-	-	-	-
<u>\$ 601,497</u>	<u>\$ 10,465</u>	<u>\$ 2,111,787</u>	<u>\$ -</u>	<u>\$ 5,333,171</u>	<u>\$ 500,628</u>	<u>\$ 190</u>
\$ 748	\$ -	\$ 11,873	\$ -	\$ 331,829	\$ -	\$ -
4,869	-	28,323	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,462	-	-	24,700
<u>5,617</u>	<u>-</u>	<u>40,196</u>	<u>12,462</u>	<u>331,829</u>	<u>-</u>	<u>24,700</u>
-	-	1,663,679	-	2,584,211	151,164	-
-	-	1,663,679	-	2,584,211	151,164	-
-	-	2,848	-	-	-	-
-	-	405,064	-	2,417,131	349,464	-
595,880	10,465	-	-	-	-	-
-	-	-	(12,462)	-	-	(24,510)
<u>595,880</u>	<u>10,465</u>	<u>407,912</u>	<u>(12,462)</u>	<u>2,417,131</u>	<u>349,464</u>	<u>(24,510)</u>
<u>\$ 601,497</u>	<u>\$ 10,465</u>	<u>\$ 2,111,787</u>	<u>\$ -</u>	<u>\$ 5,333,171</u>	<u>\$ 500,628</u>	<u>\$ 190</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	<u>Capital Project Funds</u>		Total Nonmajor Governmental Funds
	<u>TID No. 9</u>	<u>TID No. 10</u>	
ASSETS			
Cash and investments	\$ 3,737	\$ 1,104	\$ 5,889,710
Taxes receivable	-	-	5,223,216
Accounts receivable	-	-	88,822
Due from other governments	-	-	98,102
Prepaid items	-	-	4,351
TOTAL ASSETS	<u>\$ 3,737</u>	<u>\$ 1,104</u>	<u>\$ 11,304,201</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,400	\$ -	\$ 365,173
Accrued liabilities	-	-	35,727
Deposits	-	-	64,735
Advances from other funds	30,000	5,000	72,162
Total Liabilities	<u>31,400</u>	<u>5,000</u>	<u>537,797</u>
Deferred Inflows of Resources			
Unearned revenues	-	-	5,223,074
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>5,223,074</u>
Fund Balances (Deficit)			
Nonspendable	-	-	4,351
Restricted	-	-	4,682,848
Committed	-	-	924,662
Unassigned (deficit)	(27,663)	(3,896)	(68,531)
Total Fund Balances (deficit)	<u>(27,663)</u>	<u>(3,896)</u>	<u>5,543,330</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,737</u>	<u>\$ 1,104</u>	<u>\$ 11,304,201</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds		
	Drug Enforcement and Training	Recycling and Refuse Collection	Park Dedication
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	8,230	108,746	-
Licenses and permits	-	-	-
Fines, forfeitures and penalties	11,884	-	-
Public charges for services	-	770,343	190,411
Investment income	38	1,190	2,767
Miscellaneous	-	6,645	-
Total Revenues	<u>20,152</u>	<u>886,924</u>	<u>193,178</u>
EXPENDITURES			
Current			
Public safety	17,532	-	-
Public works	-	843,190	-
Culture, recreation and education	-	-	33,381
Capital Outlay	-	-	-
Debt Service			
Interest and fiscal charges	-	-	-
Total Expenditures	<u>17,532</u>	<u>843,190</u>	<u>33,381</u>
Excess (deficiency) of revenues over expenditures	<u>2,620</u>	<u>43,734</u>	<u>159,797</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Transfers out	-	(2,513)	(12,500)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,513)</u>	<u>(12,500)</u>
Net Change in Fund Balances	2,620	41,221	147,297
FUND BALANCES (DEFICIT) - Beginning of Year	<u>17,596</u>	<u>258,383</u>	<u>1,363,892</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 20,216</u>	<u>\$ 299,604</u>	<u>\$ 1,511,189</u>

Special Revenue Funds			Capital Project Funds			
Cable TV	Cemetery	Library Services	Municipal Building	TID No. 6	TID No. 7	TID No. 8
\$ -	\$ -	\$ 1,604,133	\$ -	\$ 323,305	\$ 76,376	\$ -
-	-	483,571	-	112,412	7,841	7
333,947	-	-	-	-	-	-
-	-	-	-	-	-	-
5,218	2,951	29,535	-	-	-	-
849	16	873	-	4,160	646	-
-	-	42,229	-	-	-	-
<u>340,014</u>	<u>2,967</u>	<u>2,160,341</u>	<u>-</u>	<u>439,877</u>	<u>84,863</u>	<u>7</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
245,596	-	2,096,032	-	-	-	-
-	-	-	-	1,382,326	38,714	325
-	-	-	-	32,281	-	-
<u>245,596</u>	<u>-</u>	<u>2,096,032</u>	<u>-</u>	<u>1,414,607</u>	<u>38,714</u>	<u>325</u>
<u>94,418</u>	<u>2,967</u>	<u>64,309</u>	<u>-</u>	<u>(974,730)</u>	<u>46,149</u>	<u>(318)</u>
-	-	-	-	3,995,000	-	-
(37,000)	-	(16,000)	-	-	-	-
<u>(37,000)</u>	<u>-</u>	<u>(16,000)</u>	<u>-</u>	<u>3,995,000</u>	<u>-</u>	<u>-</u>
57,418	2,967	48,309	-	3,020,270	46,149	(318)
<u>538,462</u>	<u>7,498</u>	<u>359,603</u>	<u>(12,462)</u>	<u>(603,139)</u>	<u>303,315</u>	<u>(24,192)</u>
<u>\$ 595,880</u>	<u>\$ 10,465</u>	<u>\$ 407,912</u>	<u>\$ (12,462)</u>	<u>\$ 2,417,131</u>	<u>\$ 349,464</u>	<u>\$ (24,510)</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Capital Project Funds</u>		Total Nonmajor Governmental Funds
	<u>TID No. 9</u>	<u>TID No. 10</u>	
REVENUES			
Taxes	\$ -	\$ -	\$ 2,003,814
Intergovernmental	-	-	720,807
Licenses and permits	-	-	333,947
Fines, forfeitures and penalties	-	-	11,884
Public charges for services	-	-	998,458
Investment income	-	-	10,539
Miscellaneous	-	-	48,874
Total Revenues	<u>-</u>	<u>-</u>	<u>4,128,323</u>
EXPENDITURES			
Current			
Public safety	-	-	17,532
Public works	-	-	843,190
Culture, recreation and education	-	-	2,375,009
Capital Outlay	27,663	3,896	1,452,924
Debt Service			
Interest and fiscal charges	-	-	32,281
Total Expenditures	<u>27,663</u>	<u>3,896</u>	<u>4,720,936</u>
Excess (deficiency) of revenues over expenditures	<u>(27,663)</u>	<u>(3,896)</u>	<u>(592,613)</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	3,995,000
Transfers out	-	-	(68,013)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,926,987</u>
Net Change in Fund Balances	(27,663)	(3,896)	3,334,374
FUND BALANCES (DEFICIT) - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,208,956</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>\$ (27,663)</u></u>	<u><u>\$ (3,896)</u></u>	<u><u>\$ 5,543,330</u></u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DRUG ENFORCEMENT AND TRAINING FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 7,520	\$ 7,520	\$ 8,230	\$ 710
Fines, forfeitures and penalties	18,000	18,000	11,884	(6,116)
Investment income	-	-	38	38
Total Revenues	<u>25,520</u>	<u>25,520</u>	<u>20,152</u>	<u>(5,368)</u>
EXPENDITURES				
Current				
Public safety	<u>25,000</u>	<u>25,000</u>	<u>17,532</u>	<u>7,468</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>17,532</u>	<u>7,468</u>
Excess of revenues over expenditures	520	520	2,620	2,100
FUND BALANCE - Beginning	<u>17,596</u>	<u>17,596</u>	<u>17,596</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 18,116</u>	<u>\$ 18,116</u>	<u>\$ 20,216</u>	<u>\$ 2,100</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING AND REFUSE COLLECTION FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 103,355	\$ 103,355	\$ 108,746	\$ 5,391
Public charges for services	771,442	771,442	770,343	(1,099)
Investment income	-	-	1,190	1,190
Miscellaneous	5,000	5,000	6,645	1,645
Total Revenues	879,797	879,797	886,924	7,127
EXPENDITURES				
Current				
Public works	881,618	881,618	843,190	38,428
Total Expenditures	881,618	881,618	843,190	38,428
Excess (deficiency) of revenues over expenditures	(1,821)	(1,821)	43,734	45,555
OTHER FINANCING USES				
Transfers out	(2,513)	(2,513)	(2,513)	-
Total Other Financing Uses	(2,513)	(2,513)	(2,513)	-
Net Change in Fund Balance	(4,334)	(4,334)	41,221	45,555
FUND BALANCE - Beginning	258,383	258,383	258,383	-
FUND BALANCE - ENDING	\$ 254,049	\$ 254,049	\$ 299,604	\$ 45,555

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARK DEDICATION FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ -	\$ -	\$ 190,411	\$ 190,411
Investment income	-	-	2,767	2,767
Total Revenues	-	-	193,178	193,178
EXPENDITURES				
Current				
Culture, recreation, and education	250,000	250,000	33,381	216,619
Total Expenditures	250,000	250,000	33,381	216,619
Excess (deficiency) of revenues over expenditures	(250,000)	(250,000)	159,797	409,797
OTHER FINANCING USES				
Transfers out	-	(12,500)	(12,500)	-
Total Other Financing Uses	-	(12,500)	(12,500)	-
Net Change in Fund Balance	(250,000)	(262,500)	147,297	409,797
FUND BALANCE - Beginning	1,363,892	1,363,892	1,363,892	-
FUND BALANCE - ENDING	\$ 1,113,892	\$ 1,101,392	\$ 1,511,189	\$ 409,797

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CABLE TV FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ 311,600	\$ 311,600	\$ 333,947	\$ 22,347
Public charges for services	2,000	2,000	5,218	3,218
Investment income	250	250	849	599
Total Revenues	<u>313,850</u>	<u>313,850</u>	<u>340,014</u>	<u>26,164</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>260,314</u>	<u>263,647</u>	<u>245,596</u>	<u>18,051</u>
Total Expenditures	<u>260,314</u>	<u>263,647</u>	<u>245,596</u>	<u>18,051</u>
Excess of revenues over expenditures	<u>53,536</u>	<u>50,203</u>	<u>94,418</u>	<u>44,215</u>
OTHER FINANCING USES				
Transfers out	<u>(37,000)</u>	<u>(37,000)</u>	<u>(37,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(37,000)</u>	<u>(37,000)</u>	<u>(37,000)</u>	<u>-</u>
Net Change in Fund Balance	16,536	13,203	57,418	44,215
FUND BALANCE - Beginning	<u>538,462</u>	<u>538,462</u>	<u>538,462</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 554,998</u>	<u>\$ 551,665</u>	<u>\$ 595,880</u>	<u>\$ 44,215</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,604,133	\$ 1,604,133	\$ 1,604,133	\$ -
Intergovernmental	483,571	483,571	483,571	-
Public charges for services	25,150	25,150	29,535	4,385
Investment income	-	-	873	873
Miscellaneous	20,475	20,475	42,229	21,754
Total Revenues	<u>2,133,329</u>	<u>2,133,329</u>	<u>2,160,341</u>	<u>27,012</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>2,166,927</u>	<u>2,193,939</u>	<u>2,096,032</u>	<u>97,907</u>
Total Expenditures	<u>2,166,927</u>	<u>2,193,939</u>	<u>2,096,032</u>	<u>97,907</u>
Excess (deficiency) of revenues over expenditures	<u>(33,598)</u>	<u>(60,610)</u>	<u>64,309</u>	<u>124,919</u>
OTHER FINANCING USES				
Transfers out	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>
Net Change in Fund Balance	(49,598)	(76,610)	48,309	124,919
FUND BALANCE - Beginning	<u>359,603</u>	<u>359,603</u>	<u>359,603</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 310,005</u>	<u>\$ 282,993</u>	<u>\$ 407,912</u>	<u>\$ 124,919</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 6 FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 310,500	\$ 310,500	\$ 323,305	\$ 12,805
Intergovernmental	14,000	14,000	112,412	98,412
Investment income	2,800	2,800	4,160	1,360
Total Revenues	<u>327,300</u>	<u>327,300</u>	<u>439,877</u>	<u>112,577</u>
EXPENDITURES				
Capital outlay	279,450	279,450	1,382,326	(1,102,876)
Debt service - interest and fiscal charges	-	-	32,281	(32,281)
Total Expenditures	<u>279,450</u>	<u>279,450</u>	<u>1,414,607</u>	<u>(1,135,157)</u>
Excess (deficiency) of revenues over expenditures	<u>47,850</u>	<u>47,850</u>	<u>(974,730)</u>	<u>(1,022,580)</u>
OTHER FINANCING SOURCES				
Debt issued	-	-	3,995,000	3,995,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,995,000</u>	<u>3,995,000</u>
Net Change in Fund Balance	47,850	47,850	3,020,270	2,972,420
FUND BALANCE (DEFICIT) - Beginning	<u>(603,139)</u>	<u>(603,139)</u>	<u>(603,139)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (555,289)</u>	<u>\$ (555,289)</u>	<u>\$ 2,417,131</u>	<u>\$ 2,972,420</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 7 FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 73,658	\$ 73,658	\$ 76,376	\$ 2,718
Intergovernmental	8,000	8,000	7,841	(159)
Investment income	600	600	646	46
Total Revenues	<u>82,258</u>	<u>82,258</u>	<u>84,863</u>	<u>2,605</u>
EXPENDITURES				
Capital Outlay	-	-	38,714	(38,714)
Total Expenditures	<u>-</u>	<u>-</u>	<u>38,714</u>	<u>(38,714)</u>
Excess of revenues over expenditures	<u>82,258</u>	<u>82,258</u>	<u>46,149</u>	<u>(36,109)</u>
FUND BALANCE - Beginning	<u>303,315</u>	<u>303,315</u>	<u>303,315</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 385,573</u>	<u>\$ 385,573</u>	<u>\$ 349,464</u>	<u>\$ (36,109)</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 8 FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 8	\$ 8	\$ 7	\$ (1)
Total Revenues	8	8	7	(1)
EXPENDITURES				
Capital Outlay	200	200	325	(125)
Total Expenditures	200	200	325	(125)
Excess (deficiency) of revenues over expenditures	(192)	(192)	(318)	(126)
FUND BALANCE (DEFICIT) - Beginning	(24,192)	(24,192)	(24,192)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (24,384)	\$ (24,384)	\$ (24,510)	\$ (126)

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CASH FLOWS COMPONENT UNIT For the Year Ended December 31, 2015

	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 286,027
Paid to suppliers for goods and services	(233,523)
Net Cash Flows From Operating Activities	<u>52,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>4,007</u>
Net Cash Flows From Investing Activities	<u>4,007</u>
Net Change in Cash and Cash Equivalents	56,511
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>600,742</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 657,253</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 55,987
Nonoperating revenue	5,689
Changes in assets and liabilities	
Accounts receivables	(25,328)
Prepays	(5,445)
Accounts payable	<u>21,601</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 52,504</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None	

City of Fitchburg, Wisconsin

Statistical Section

Table of Contents

This section of the City of Fitchburg's comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial condition through multi-year comparative data.

<u>Contents</u>	<u>Pages</u>
Financial Trends - Tables 1 - 4	
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	83 - 86
Revenue Capacity - Tables 5 - 8	
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	87 - 90
Debt Capacity - Tables 9 - 12	
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	91 - 94
Demographic and Economic Information - Tables 13 & 14	
These schedules provide demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time with other governments.	95 - 96
Operating Information - Tables 15 - 17	
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	97 - 99

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

City of Fitchburg, Wisconsin
Table 1 - Net Position by Category
Last Ten Years
(accrual basis of accounting)

	2015		2014		2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in										
Capital Assets	\$ 60,626,176	77.8%	\$ 63,461,581	96.3%	\$ 51,664,883	92.3%	\$ 45,915,944	90.8%	\$ 43,510,847	84.1%
Restricted	12,928,873	16.6%	5,773,293	8.8%	6,227,641	11.1%	5,450,356	10.8%	5,160,984	10.0%
Unrestricted	4,325,315	5.6%	(3,346,395)	-5.1%	(1,886,694)	-3.4%	(809,909)	-1.6%	3,031,475	5.9%
Total Governmental Activities	<u>77,880,364</u>	<u>100.0%</u>	<u>65,888,479</u>	<u>100.0%</u>	<u>56,005,830</u>	<u>100.0%</u>	<u>50,556,391</u>	<u>100.0%</u>	<u>51,703,306</u>	<u>100.0%</u>
Business-Type Activities										
Net Investment in										
Capital Assets	53,547,126	90.3%	51,117,061	90.8%	48,376,833	92.0%	48,119,904	93.8%	44,517,323	94.9%
Restricted	284,056	0.5%	260,949	0.5%	103,713	0.2%	-	0.0%	-	0.0%
Unrestricted	5,444,202	9.2%	4,865,786	8.7%	4,081,923	7.8%	3,158,459	6.2%	2,403,020	5.1%
Total Business-Type Activities	<u>59,275,384</u>	<u>100.0%</u>	<u>56,243,796</u>	<u>100.0%</u>	<u>52,562,469</u>	<u>100.0%</u>	<u>51,278,363</u>	<u>100.0%</u>	<u>46,920,343</u>	<u>100.0%</u>
Primary Government										
Net Investment in										
Capital Assets	111,443,166 ⁽¹⁾	81.3%	111,599,665 ⁽¹⁾	91.4%	96,855,440 ⁽¹⁾	89.2%	90,332,252 ⁽¹⁾	88.7%	86,878,170 ⁽¹⁾	88.1%
Restricted	13,212,929	9.6%	6,034,242	4.9%	6,331,354	5.8%	5,450,356	5.4%	5,160,984	5.2%
Unrestricted	12,499,653 ⁽¹⁾	9.1%	4,498,368 ⁽¹⁾	3.7%	5,381,505 ⁽¹⁾	5.0%	6,023,146 ⁽¹⁾	5.9%	6,584,495 ⁽¹⁾	6.7%
Total Primary Government	<u>137,155,748</u>	<u>100.0%</u>	<u>122,132,275</u>	<u>100.0%</u>	<u>108,568,299</u>	<u>100.0%</u>	<u>101,805,754</u>	<u>100.0%</u>	<u>98,623,649</u>	<u>100.0%</u>
	2010		2009		2008		2007		2006	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in										
Capital Assets	\$ 41,471,524	79.6%	\$ 42,067,744	83.4%	\$ 41,693,164	81.9%	\$ 37,072,032	78.2%	\$ 33,557,931	78.4%
Restricted	2,354,964	4.5%	1,803,033	3.6%	3,099,860	6.1%	2,969,138	6.3%	3,692,786	8.6%
Unrestricted	8,266,312	15.9%	6,531,256	13.0%	6,106,173	12.0%	7,327,128	15.5%	5,570,097	13.0%
Total Governmental Activities	<u>52,092,800</u>	<u>100.0%</u>	<u>50,402,033</u>	<u>100.0%</u>	<u>50,899,197</u>	<u>100.0%</u>	<u>47,368,298</u>	<u>100.0%</u>	<u>42,820,814</u>	<u>100.0%</u>
Business-Type Activities										
Net Investment in										
Capital Assets	45,169,405	97.3%	45,496,277	98.1%	45,772,755	99.6%	43,841,424	97.0%	42,186,851	97.2%
Restricted	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Unrestricted	1,235,186	2.7%	872,240	1.9%	205,910	0.4%	1,375,164	3.0%	1,203,979	2.8%
Total Business-Type Activities	<u>46,404,591</u>	<u>100.0%</u>	<u>46,368,517</u>	<u>100.0%</u>	<u>45,978,665</u>	<u>100.0%</u>	<u>45,216,588</u>	<u>100.0%</u>	<u>43,390,830</u>	<u>100.0%</u>
Primary Government										
Net Investment in										
Capital Assets	85,490,929 ⁽¹⁾	86.8%	86,414,021 ⁽¹⁾	89.3%	87,465,919	90.3%	80,913,456	87.4%	75,744,782	87.8%
Restricted	2,354,964	2.4%	1,803,033	1.9%	3,099,860	3.2%	2,969,138	3.2%	3,692,786	4.3%
Unrestricted	10,651,498 ⁽¹⁾	10.8%	8,553,496 ⁽¹⁾	8.8%	6,312,083	6.5%	8,702,292	9.4%	6,774,076	7.9%
Total Primary Government	<u>98,497,391</u>	<u>100.0%</u>	<u>96,770,550</u>	<u>100.0%</u>	<u>96,877,862</u>	<u>100.0%</u>	<u>92,584,886</u>	<u>100.0%</u>	<u>86,211,644</u>	<u>100.0%</u>

Notes:

(1) Adjustment made to primary government net position totals for capital assets owned by the business-type activities but financed by the governmental activities. See Note I.D.9

City of Fitchburg, Wisconsin
Table 2 - Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities										
General Government	\$ 3,871,581	\$ 3,219,898	\$ 4,194,646	\$ 3,712,572	\$ 4,171,270	\$ 3,873,747	\$ 4,034,316	\$ 2,861,851	\$ 2,883,921	\$ 3,037,685
Public Safety	10,335,633	10,957,835	9,707,764	9,934,613	9,848,882	9,532,990	8,980,115	8,047,421	8,108,309	7,681,771
Public Works	6,847,114	11,334,075	6,143,365	6,696,726	4,123,594	5,284,437	6,600,907	6,362,380	4,002,772	3,508,000
Health and Human Services	473,545	419,820	400,169	405,611	392,272	372,777	360,097	355,895	340,423	297,217
Culture, Education, and Recreation	4,020,494	3,524,529	3,919,726	3,766,584	5,034,454	1,610,606	1,362,914	1,384,345	1,291,522	1,170,292
Conservation and Development	1,014,751	1,311,610	55,856	5,091,478	3,786,905	1,579,305	1,412,117	881,546	413,627	997,788
Interest and Fiscal Charges	989,630	1,011,119	1,085,047	1,024,447	882,357	862,136	548,404	436,703	593,764	440,357
Total Governmental Activities	27,552,748	31,778,886	25,506,573	30,632,031	28,239,734	23,115,998	23,298,870	20,330,141	17,634,338	17,133,110
Business-Type Activities										
Water Utility	2,067,801	1,576,951	1,593,790	-	-	-	-	-	1,445,621	1,417,802
Sewer Utility	2,256,787	2,234,661	2,172,957	-	-	-	-	-	1,486,346	1,512,175
Utility District No. 1	-	-	-	3,538,650	3,342,005	3,421,216	3,207,776	3,080,656	-	-
Stormwater Utility	956,835	902,526	1,032,225	818,578	843,985	812,722	823,359	799,762	784,684	831,154
Total Business-Type Activities	5,281,423	4,714,138	4,798,972	4,357,228	4,185,990	4,233,938	4,031,135	3,880,418	3,716,651	3,761,131
Total Primary Government	32,834,171	36,493,024	30,305,545	34,989,259	32,425,724	27,349,936	27,330,005	24,210,559	21,350,989	20,894,241
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	551,308	505,508	479,105	546,264	91,000	78,971	85,786	98,751	130,201	154,854
Public Safety	679,530	488,171	480,779	428,565	889,267	815,662	902,940	951,405	924,624	651,550
Public Works	804,677	833,943	779,170	771,541	715,641	733,364	692,037	754,936	748,483	638,232
Culture, Education, and Recreation	442,313	1,003,541	331,859	248,933	160,004	157,660	160,359	147,413	161,718	843,805
Other Activities	60,483	46,401	40,399	39,920	44,542	65,442	25,785	37,963	46,849	39,972
Operating Grants and Contributions	2,115,694	1,937,917	1,709,573	1,776,574	1,694,184	1,150,289	1,184,796	1,234,786	1,074,515	1,101,927
Capital Grants and Contributions	3,599,522	10,998,263	2,711,549	4,261,364	1,530,803	1,107,091	955,059	2,830,504	2,769,985	319,888
Total Governmental Activities	8,253,527	15,813,744	6,532,434	8,073,161	5,125,441	4,108,479	4,006,762	6,055,758	5,856,375	3,750,228
Business-Type Activities										
Charges for Services										
Water Utility	2,229,284	2,229,520	2,215,653	-	-	-	-	-	1,851,866	1,781,640
Sewer Utility	2,282,454	2,250,576	2,148,958	-	-	-	-	-	1,565,857	1,339,683
Utility District No. 1	-	-	-	4,436,598	4,001,334	3,737,204	3,534,962	3,411,001	-	-
Stormwater Utility	1,102,836	1,083,515	1,041,100	980,580	903,795	839,242	751,964	756,557	684,605	572,873
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	3,044,423	2,018,146	1,102,373	1,229,477	279,833	193,740	548,500	1,212,246	1,754,839	1,675,736
Total Business-Type Activities	8,658,997	7,581,757	6,508,084	6,646,655	5,184,962	4,770,186	4,835,426	5,379,804	5,857,167	5,369,932
Total Primary Government	16,912,524	23,395,501	13,040,518	14,719,816	10,310,403	8,878,665	8,842,188	11,435,562	11,713,542	9,120,160
Net (Expense) Revenue										
Governmental Activities	(19,299,221)	(15,965,142)	(18,974,139)	(22,558,870)	(23,114,293)	(19,007,519)	(19,292,108)	(14,274,383)	(11,777,963)	(13,382,882)
Business-Type Activities	3,377,574	2,867,619	1,709,112	2,289,427	998,972	536,248	804,291	1,499,386	2,140,516	1,608,801
Total Primary Government	(15,921,647)	(13,097,523)	(17,265,027)	(20,269,443)	(22,115,321)	(18,471,271)	(18,487,817)	(12,774,997)	(9,637,447)	(11,774,081)
General Revenues and Other										
Changes in Net Position										
Governmental Activities										
Property Taxes	23,154,063	22,794,685	20,833,535	20,455,378	19,688,989	16,874,220	16,020,566	14,794,784	13,022,455	11,952,051
Other	4,016,688	3,053,106	3,619,043	927,577	3,035,810	3,824,066	2,774,378	3,010,498	3,302,992	3,156,074
Total Governmental Activities	27,170,751	25,847,791	24,452,578	21,382,955	22,724,799	20,698,286	18,794,944	17,805,282	16,325,447	15,108,125
Business-Type Activities	(551,233)	813,708	(425,006)	2,068,593	(483,220)	(500,174)	(414,439)	(357,573)	(314,758)	(294,153)
Total Primary Government	26,619,518	26,661,499	24,027,572	23,451,548	22,241,579	20,198,112	18,380,505	17,447,709	16,010,689	14,813,972
Total Change in Net Position										
Governmental Activities	7,871,530	9,882,649	5,478,439	(1,175,915)	(389,494)	1,690,767	(497,164)	3,530,899	4,547,484	1,725,243
Business-Type Activities	2,826,341	3,681,327	1,284,106	4,358,020	515,752	36,074	389,852	1,141,813	1,825,758	1,314,648
Total Primary Government	10,697,871	13,563,976	6,762,545	3,182,105	126,258	1,726,841	(107,312)	4,672,712	6,373,242	3,039,891

City of Fitchburg, Wisconsin
Table 3 - Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>General Fund</u>										
Post-GASB 54 Categories										
Nonspendable	\$ 405,800	\$ 311,438	\$ 329,353	\$ 305,005	\$ 332,323	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	53,539	53,255	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,974,201	1,867,236	694,840	681,987	633,730	-	-	-	-	-
Unassigned	5,207,357	4,538,150	4,880,303	4,630,165	4,258,986	-	-	-	-	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	853,840	753,719	2,507,704	2,234,423	2,098,973
Designated	-	-	-	-	-	105,000	90,000	90,000	349,285	144,226
Undesignated	-	-	-	-	-	4,234,005	4,547,014	2,244,616	2,196,320	2,201,009
Total General Fund	<u>7,640,897</u>	<u>6,770,079</u>	<u>5,904,496</u>	<u>5,617,157</u>	<u>5,225,039</u>	<u>5,192,845</u>	<u>5,390,733</u>	<u>4,842,320</u>	<u>4,780,028</u>	<u>4,444,208</u>
<u>All Other Governmental Funds</u>										
Post-GASB 54 Categories										
Nonspendable	1,017,118	1,070,574	1,133,723	3,134	3,217	-	-	-	-	-
Restricted	10,905,887	6,180,758	7,960,573	8,243,629	8,314,261	-	-	-	-	-
Committed	924,662	821,650	757,366	743,069	826,706	-	-	-	-	-
Assigned	1,898,822	138,815	1,049,006	4,734,644	1,625,192	-	-	-	-	-
Unassigned/(Deficit)	(68,531)	(1,878,297)	(36,452)	(39,270)	(79,102)	-	-	-	-	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	9,242,300	2,643,866	2,177,490	1,148,497	1,361,132
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	5,723,729	10,479,092	3,194,476	5,860,156	4,494,212
Total Other Governmental Funds	<u>14,677,958</u>	<u>6,333,500</u>	<u>10,864,216</u>	<u>13,685,206</u>	<u>10,690,274</u>	<u>14,966,029</u>	<u>13,122,958</u>	<u>5,371,966</u>	<u>7,008,653</u>	<u>5,855,344</u>
<u>Total Governmental Funds</u>										
Post-GASB 54 Categories										
Nonspendable	1,422,918	1,382,012	1,463,076	308,139	335,540	-	-	-	-	-
Restricted	10,959,426	6,234,013	7,960,573	8,243,629	8,314,261	-	-	-	-	-
Committed	924,662	821,650	757,366	743,069	826,706	-	-	-	-	-
Assigned	3,873,023	2,006,051	1,743,846	5,416,631	2,258,922	-	-	-	-	-
Unassigned	5,138,826	2,659,853	4,843,851	4,590,895	4,179,884	-	-	-	-	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	10,096,140	3,397,585	4,685,194	3,382,920	3,460,105
Designated	-	-	-	-	-	105,000	90,000	90,000	349,285	144,226
Undesignated	-	-	-	-	-	9,957,734	15,026,106	5,439,092	8,056,476	6,695,221
Total Governmental Funds	<u>22,318,855</u>	<u>13,103,579</u>	<u>16,768,712</u>	<u>19,302,363</u>	<u>15,915,313</u>	<u>20,158,874</u>	<u>18,513,691</u>	<u>10,214,286</u>	<u>11,788,681</u>	<u>10,299,552</u>

Notes:

(1) The City implemented GASB #54 in 2011, which resulted in new fund balance categories. Prior years have not been restated.

City of Fitchburg, Wisconsin
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	\$ 23,154,063	\$ 22,832,142	\$ 20,872,258	\$ 20,495,750	\$ 19,728,476	\$ 16,952,782	\$ 16,085,762	\$ 14,865,168	\$ 13,060,323	\$ 12,079,143
Intergovernmental	4,018,382	5,572,311	3,561,861	4,041,750	3,748,154	2,564,925	2,910,337	1,980,224	2,292,302	1,803,513
Licenses and Permits	1,225,550	960,557	870,164	821,365	552,148	524,650	470,730	584,981	725,149	707,388
Fines, Forfeitures, and Penalties	326,402	284,380	303,297	314,120	288,845	305,846	418,918	283,072	285,394	259,068
Public Charges for Services	1,266,516	1,884,479	1,153,002	1,055,426	923,930	943,121	915,068	945,513	941,772	1,510,864
Special Assessments	223,762	202,637	99,191	42,677	70,230	50,326	68,641	49,545	91,239	96,001
Investment Income	200,208	358,024	(62,888)	277,798	176,789	221,737	346,972	587,203	903,283	629,222
Intergovernmental Charges for Service	84,790	91,579	261,246	280,251	212,156	143,461	146,438	128,675	123,964	120,965
Miscellaneous	1,046,697	1,288,564	1,161,651	1,260,171	1,997,391	1,631,252	806,815	889,969	627,622	1,045,003
Total Revenues	31,546,370	33,474,673	28,219,782	28,589,308	27,698,119	23,338,100	22,169,681	20,314,350	19,051,048	18,251,167
Expenditures										
General Government	3,288,940	3,281,529	3,094,802	3,202,117	3,272,931	3,092,896	3,043,454	2,744,613	2,418,100	2,309,805
Public Safety	9,659,217	9,352,979	9,117,655	9,300,777	9,049,363	8,740,223	8,353,891	7,893,095	7,517,120	7,040,917
Public Works	2,890,147	2,974,789	2,895,458	2,666,824	2,594,961	2,553,795	2,410,511	2,875,158	2,282,002	2,084,525
Health and Human Services	467,098	403,668	383,175	380,598	379,794	367,967	345,578	342,713	328,248	310,899
Culture, Education, and Recreation	3,519,171	3,354,690	3,233,577	3,295,936	2,981,085	1,358,447	1,155,323	1,055,140	1,015,408	889,239
Conservation and Development	555,654	497,879	470,767	456,292	484,560	591,727	486,452	419,869	360,369	330,766
Capital Outlay	6,252,430	13,272,961	8,692,032	19,650,936	17,100,277	10,613,367	7,036,828	4,804,541	2,258,327	3,147,444
Debt Service										
Principal	3,732,170	3,570,164	3,318,234	7,856,786	2,174,782	1,861,010	1,340,235	1,753,406	2,596,359	3,052,555
Interest and Fiscal Charges	1,170,472	1,028,711	1,276,787	1,416,162	1,133,149	583,254	454,421	433,157	550,243	552,583
Total Expenditures	31,535,299	37,737,370	32,482,487	48,226,428	39,170,902	29,762,686	24,626,693	22,321,692	19,326,176	19,718,733
Revenues Over/(Under) Expenditures	11,071	(4,262,697)	(4,262,705)	(19,637,120)	(11,472,783)	(6,424,586)	(2,457,012)	(2,007,342)	(275,128)	(1,467,566)
Other Financing Sources/(Uses)										
Debt Issued	8,325,000	-	1,040,000	22,045,000	6,585,000	7,545,000	10,295,000	-	1,360,000	-
Premium on Debt Issued	190,066	-	-	462,526	100,492	-	-	-	-	-
Property Sales	71,938	7,613	84,214	-	-	-	-	-	-	-
Transfers In	2,171,204	1,724,029	2,108,302	1,069,068	1,410,411	1,497,662	1,165,238	767,185	1,114,034	874,049
Transfers Out	(1,554,003)	(1,134,078)	(1,503,462)	(552,424)	(866,681)	(972,893)	(703,821)	(334,238)	(709,777)	(492,273)
Total Other Financing Sources/(Uses)	9,204,205	597,564	1,729,054	23,024,170	7,229,222	8,069,769	10,756,417	432,947	1,764,257	381,776
Net Change in Fund Balances	9,215,276	(3,665,133)	(2,533,651)	3,387,050	(4,243,561)	1,645,183	8,299,405	(1,574,395)	1,489,129	(1,085,790)
Debt Service as a Percentage of										
Noncapital Expenditures	19.4%	19.0%	17.9%	23.6%	11.9%	10.7%	8.1%	10.9%	17.4%	19.5%
Capital Expenditures as a Percentage										
of Total Expenditures	19.8%	35.9%	21.2%	18.4%	29.1%	23.4%	10.3%	10.4%	6.7%	6.2%

City of Fitchburg, Wisconsin
Table 5 - Assessed and Estimated Actual Value of Taxable Property ⁽¹⁾
Last Ten Years

	2015		2014		2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real Property Assessed Value ⁽²⁾										
Residential	\$ 1,640,615,000	63.3%	\$ 1,618,483,400	64.4%	\$ 1,626,712,500	66.4%	\$ 1,630,129,500	66.7%	\$ 1,628,679,100	65.4%
Commercial	656,597,400	25.3%	626,927,300	24.9%	593,346,400	24.2%	585,628,900	24.0%	622,700,300	25.0%
Manufacturing	207,412,200	8.0%	181,336,300	7.2%	141,180,500	5.8%	129,489,500	5.3%	130,182,200	5.2%
Other	18,676,400	0.7%	17,949,500	0.7%	18,245,300	0.7%	18,387,600	0.8%	19,135,600	0.8%
Subtotal Real Property	2,523,301,000	97.3%	2,444,696,500	97.2%	2,379,484,700	97.1%	2,363,635,500	96.7%	2,400,697,200	96.4%
Personal Property Assessed Value ⁽²⁾	69,497,500	2.7%	69,871,900	2.8%	70,751,000	2.9%	80,510,500	3.3%	89,329,600	3.6%
Total Taxable Assessed Value	<u>2,592,798,500</u>	<u>100.0%</u>	<u>2,514,568,400</u>	<u>100.0%</u>	<u>2,450,235,700</u>	<u>100.0%</u>	<u>2,444,146,000</u>	<u>100.0%</u>	<u>2,490,026,800</u>	<u>100.0%</u>
Total City Direct Tax Rate ⁽³⁾	\$ 7.95		\$ 7.84		\$ 7.56		\$ 7.58		\$ 7.13	
Estimated Actual Taxable Value ⁽⁴⁾	2,623,964,200		2,503,773,000		2,447,132,400		2,489,764,900		2,524,627,800	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	98.8%		100.4%		100.1%		98.2%		98.6%	
	2010		2009		2008		2007		2006	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real Property Assessed Value ⁽²⁾										
Residential	\$ 1,638,425,800	63.2%	\$ 1,622,892,500	64.5%	\$ 1,571,047,900	64.1%	\$ 1,490,681,900	61.0%	\$ 1,384,838,900	55.6%
Commercial	647,691,200	25.0%	631,160,800	25.1%	630,188,100	25.7%	568,029,700	23.2%	539,731,200	21.7%
Manufacturing	134,752,800	5.2%	131,716,000	5.2%	107,442,100	4.4%	94,913,300	3.9%	94,760,700	3.8%
Other	19,132,300	0.7%	19,038,400	0.8%	18,603,200	0.8%	18,694,000	0.8%	19,550,400	0.8%
Subtotal Real Property	2,440,002,100	94.1%	2,404,807,700	95.6%	2,327,281,300	95.0%	2,172,318,900	88.9%	2,038,881,200	81.9%
Personal Property Assessed Value ⁽²⁾	99,790,699	3.8%	91,332,490	3.6%	82,910,740	3.4%	86,436,120	3.5%	86,184,972	3.5%
Total Taxable Assessed Value	<u>2,539,792,799</u>	<u>97.9%</u>	<u>2,496,140,190</u>	<u>99.2%</u>	<u>2,410,192,040</u>	<u>98.4%</u>	<u>2,258,755,020</u>	<u>92.4%</u>	<u>2,125,066,172</u>	<u>85.4%</u>
Total City Direct Tax Rate ⁽³⁾	\$ 5.95		\$ 5.84		\$ 5.84		\$ 5.68		\$ 5.61	
Estimated Actual Taxable Value ⁽⁴⁾	2,582,226,200		2,582,601,801		2,557,266,700		2,296,882,600		2,098,978,800	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	98.4%		96.7%		94.2%		98.3%		101.2%	

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Assessed values are prepared by the City of Fitchburg Assessor.
- (3) Tax rates are expressed in rate per \$1,000 in assessed value.
- (4) Estimated actual values (equalized values) are prepared by the Wisconsin Department of Revenue, Bureau of Property Tax and include TID values.
- (5) The Wisconsin Department of Revenue does not consider any amendments to the Statement of Assessment when calculating the equalized ratio. Therefore, the percentage of actual value calculated above may differ slightly from what was printed on the tax bills.

City of Fitchburg, Wisconsin

Table 6 - Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Direct Rates:										
General Fund	\$ 5.337	\$ 5.505	\$ 5.412	\$ 5.321	\$ 5.008	\$ 4.910	\$ 4.765	\$ 4.482	\$ 4.164	\$ 3.983
Library Fund	0.658	0.668	0.659	0.648	0.681	0.055	0.025	-	-	-
Debt Service Fund	1.484	1.379	1.220	1.188	1.049	0.575	0.612	0.844	1.030	1.216
Capital Projects Fund	0.470	0.287	0.268	0.419	0.389	0.415	0.439	0.354	0.418	0.438
Total City Rate ⁽²⁾	7.949	7.839	7.559	7.576	7.127	5.955	5.841	5.680	5.612	5.637
Overlapping Rates ⁽³⁾:										
Dane County	3.155	3.104	3.001	2.922	2.753	2.907	2.771	2.843	2.783	2.809
State of Wisconsin	0.172	0.169	0.169	0.173	0.172	0.173	0.176	0.180	0.179	0.185
Madison College	0.945	1.833	1.813	1.741	1.495	1.335	1.254	1.272	1.233	1.251
School Districts ⁽⁴⁾:										
Madison Schools	12.089	11.717	11.502	11.354	11.218	10.360	10.144	10.420	10.183	10.108
Oregon Schools	12.122	12.319	12.183	12.164	11.894	11.137	10.876	11.662	10.284	10.339
Verona Schools	12.181	12.328	12.762	12.544	12.440	11.898	11.999	11.649	12.075	11.324
Less: State School Tax Credit	(1.719)	(1.770)	(1.808)	(1.831)	(1.835)	(1.855)	(1.903)	(1.751)	(1.592)	(1.289)
Totals by School District:										
Madison Schools	22.591	22.892	22.236	21.935	20.930	18.875	18.283	18.644	18.398	18.701
Oregon Schools	22.624	23.494	22.917	22.745	21.606	19.652	19.015	19.886	18.499	18.932
Verona Schools	22.683	23.503	23.496	23.125	22.152	20.413	20.138	19.873	20.290	19.917

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Effective for 2006 and 2007 budgets, each taxing jurisdiction is subject to levy limits of 2% or net new construction, whichever is greater. Effective 2008 and 2009 budget, levy limit was 3.86% or net new construction, whichever is greater. Effective for 2010 and 2011 budgets, the state extended levy limits for an additional two years at 3% or net new construction, whichever is greater, and allowed the carryforward of the previous two years' unused levy limit capacity. Effective for 2012, 2013, 2014, and 2015 budgets, the state extended levy limits for an additional two years at 0% or net new construction, whichever is greater, and allowed the carryforward of the previous two years' unused levy limit capacity.

(3) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.

(4) Not all overlapping rates apply to all City property owners. The rates for school districts apply only to the portion of the City's property owners whose property is located within the geographical boundaries of the school district.

Source: City of Fitchburg's Treasurer's Office

City of Fitchburg, Wisconsin
Table 7 - Principal Taxpayers ⁽¹⁾
Current Year and Eight Years Ago

Taxpayer	Taxes Payable 2015			Taxes Payable 2007		
	Taxable Assessed	Rank	% of Total Taxable Assessed	Taxable Assessed	Rank	% of Total Taxable Assessed
	Value ⁽²⁾		Value	Value ⁽²⁾		Value
Promega Corp	\$ 104,687,200	1	4.0%	\$ 28,723,400	2	1.4%
Sub Zero/Wolf	41,528,500	2	1.6%	39,927,000	1	1.9%
New Fountains Partnership	20,682,500	3	0.8%	21,189,750	4	1.0%
Target Corp	17,255,500	4	0.7%			
Orion 7	16,731,400	5	0.6%			
Realty Income Corp	16,159,300	6	0.6%	15,396,930	6	0.7%
Certco	15,066,500	7	0.6%	19,636,900	5	0.9%
Team Madison	14,853,700	8	0.6%			
Thermo Electron	13,240,200	9	0.5%			
Hyvee	11,491,600	10	0.4%			
Big Ten Partners				22,680,000	3	1.1%
Valley View Apartments				12,679,800	7	0.6%
Placon Corp				10,669,600	8	0.5%
Hatchery Hill Properties				10,425,000	9	0.5%
Hatchery Hill Partners				10,255,000	10	0.5%
Total Principal Taxpayers	271,696,400		10.5%	191,583,380		9.0%
All Other Taxpayers	2,321,102,100		89.5%	1,933,482,792		91.0%
Total	<u>\$ 2,592,798,500</u>		<u>100.0%</u>	<u>\$ 2,125,066,172</u>		<u>100.0%</u>

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values include real and personal property.

(3) Nine years prior to the current year would be taxes payable in 2006; however, that information is not accessible. Instead, information is provided for the current year and eight years prior.

City of Fitchburg, Wisconsin
Table 8 - Property Tax Levies and Collections⁽¹⁾
Last Ten Years

Year	Total Tax Levy ⁽²⁾	Collected Within the Year of the Levy ⁽³⁾		Collections in Subsequent Years ⁽⁴⁾	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015	24,187,218	24,045,830	99.4%	n/a	24,045,830	99.4%
2014	23,963,312	23,928,687	99.9%	3,747	23,932,434	99.9%
2013	21,732,544	21,696,534	99.8%	9,648	21,706,182	99.9%
2012	21,460,985	21,383,027	99.6%	12,668	21,395,695	99.7%
2011	20,561,969	20,483,287	99.6%	27,863	20,511,150	99.8%
2010	17,799,728	17,696,302	99.4%	42,769	17,739,071	99.7%
2009	16,832,253	16,691,992	99.2%	43,457	16,735,449	99.4%
2008	16,126,734	16,034,205	99.4%	41,651	16,075,856	99.7%
2007	14,330,451	14,237,818	99.4%	54,774	14,292,592	99.7%
2006	12,830,032	12,707,444	99.0%	24,087	12,731,531	99.2%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Total tax levy includes only the City portion of tax levy, TID increment, special assessments and charges, and all omitted taxes for prior years.

(3) The City collects only the first installment of the real estate taxes through January 31. Real estate taxes are then turned-over to the Dane County Treasurer for collection after January 31 of the fiscal year.

(4) Responsibility for the collection of delinquent personal property taxes remains with the City. Collection of delinquent special assessments is performed by the County with remittances to the City as they are collected. Collections in subsequent years include payments received by the City for delinquent personal property taxes and delinquent special assessments.

City of Fitchburg, Wisconsin
Table 9 - Ratios of Outstanding Debt by Type ⁽¹⁾
Last Ten Years

Year	Governmental Activities General Obligation Bonds and Notes ⁽⁴⁾	Business-Type Activities General Obligation Bonds and Notes ⁽⁴⁾	Total Primary Government	Percentage of Adjusted Gross Income ⁽²⁾	Per Capita ⁽²⁾
2015	41,955,000	275,000	42,230,000	n/a	1,604.42
2014	37,362,170	400,000	37,762,170	4.8%	1,447.38
2013	40,932,334	500,000	41,432,334	5.8%	1,627.03
2012	43,210,568	550,000	43,760,568	6.9%	1,733.37
2011	29,022,355	575,000	29,597,355	4.9%	1,174.87
2010	24,612,137	685,495	25,297,632	4.3%	1,067.86
2009	18,928,147	814,910	19,743,057	3.5%	839.42
2008	9,973,382	943,925	10,917,307	1.9%	466.15
2007	11,726,788	1,061,860	12,788,648	2.1%	550.29
2006	12,963,147	554,070	13,517,217	4.8%	590.27

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) See the Table 13 - Demographic and Economic Statistics for adjusted gross income and population data.
- (3) n/a - data not available
- (4) Presented net of premiums on long term debt.

City of Fitchburg, Wisconsin
Table 10 - Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Years

Year	General Obligation Bonds ⁽²⁾	General Obligation Notes ⁽²⁾	Total General Obligation Debt ⁽²⁾	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2015	27,030,000	15,200,000	42,230,000	1.63%	1,604.42
2014	26,365,000	11,397,170	37,762,170	1.50%	1,447.38
2013	27,915,000	13,517,334	41,432,334	1.69%	1,627.03
2012	29,250,000	14,510,568	43,760,568	1.79%	1,733.37
2011	14,100,000	15,497,355	29,597,355	1.19%	1,174.87
2010	9,360,000	15,937,632	25,297,632	0.98%	1,067.86
2009	4,785,000	14,958,057	19,743,057	0.76%	839.42
2008	5,150,000	5,767,307	10,917,307	0.43%	466.15
2007	5,960,000	6,828,648	12,788,648	0.56%	550.29
2006	6,720,000	6,797,217	13,517,217	0.64%	590.27

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Includes governmental and business-type activities. Presented net of premiums on long term debt.
- (3) See Table 8 - Assessed and Estimated Actual Value of Taxable Property for property value data.
- (4) See Table 13 - Demographic and Economic Statistics for population.

City of Fitchburg, Wisconsin
Table 11 - Computation of Direct and Overlapping Bonded Debt ⁽¹⁾
December 31, 2015

Jurisdiction	Total Governmental Activities Debt Outstanding	Net Governmental Activities Debt Outstanding ⁽²⁾	Estimated Percentage Applicable ⁽³⁾	Estimated Share of Overlapping Debt
Direct:				
City of Fitchburg	41,955,000	41,955,000	100.00%	41,955,000
Overlapping ⁽⁴⁾ :				
Madison School District	100,070,000	99,994,697	5.23%	5,229,723
Oregon School District	29,649,353	29,649,353	13.49%	3,999,698
Verona School District	49,395,000	47,374,746	30.37%	14,387,710
Dane County	330,740,000	330,740,000	4.75%	15,710,150
Madison College	180,498,799	182,498,799	3.38%	6,168,459
Subtotal Overlapping	690,353,152	690,257,595		45,495,740
Total Direct and Overlapping Debt	732,308,152	732,212,595		87,450,740

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Net of sinking funds or assets available in the debt service for payment of principal.

(3) Applicable percentages were estimated by determining the portion of another government unit's equalized value (TID out) that is within the City's geographic boundaries and dividing it by each government's total equalized valuation (TID out).

(4) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

City of Fitchburg, Wisconsin
Table 12 - Computation of Legal Debt Margin
Last Ten Years

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2015	135,570,085	42,230,000	93,340,085	31.15%
2014	125,188,650	37,762,170	87,426,480	30.16%
2013	122,356,620	41,432,334	80,924,286	33.86%
2012	124,488,245	43,760,568	80,727,677	35.15%
2011	126,231,390	29,597,355	96,634,035	23.45%
2010	129,111,310	25,297,632	103,813,678	19.59%
2009	129,130,090	19,743,057	109,387,033	15.29%
2008	127,863,335	10,917,307	116,946,028	8.54%
2007	114,844,130	12,788,648	102,055,482	11.14%
2006	104,948,940	13,517,217	91,431,723	12.88%

Legal Debt Margin Calculation for 2015:

Estimated Actual Value of Real and Personal Property	<u>2,711,401,700</u>
Debt Limit - 5% of Estimated Actual Value	135,570,085 (1)
Total Bonded Debt Applicable to Limitation	<u>42,230,000</u>
Legal Debt Margin	<u>93,340,085</u>

Notes:

(1) Wisconsin State Statute 67.03 limits general obligation borrowing for general city purposes to 5% of the estimated actual value of real and personal property.

City of Fitchburg, Wisconsin
Table 13 - Demographic and Economic Statistics
Last Ten Years

Year	Population ⁽¹⁾	Adjusted Gross Income ⁽²⁾	Per Capita Adjusted Gross Income	School Enrollment			Dane County Unemployment Rate ⁽³⁾
				Madison Schools	Oregon Schools	Verona Schools	
2015	26,321	n/a	n/a	n/a	n/a	n/a	2.9%
2014	26,090	\$ 782,146,700	\$ 29,979	n/a	n/a	n/a	2.9%
2013	25,465	\$ 711,272,300	\$ 27,931	27,181	3,793	5,433	3.8%
2012	25,246	\$ 632,471,120	\$ 25,052	27,112	3,736	5,316	4.4%
2011	25,192	\$ 608,757,870	\$ 24,165	26,817	3,718	4,892	4.4%
2010	23,690	\$ 586,705,401	\$ 24,766	24,806	3,725	4,889	4.6%
2009	23,520	\$ 570,950,544	\$ 24,275	24,628	3,595	4,675	5.5%
2008	23,420	\$ 585,461,311	\$ 24,998	24,496	3,623	4,671	3.9%
2007	23,240	\$ 607,030,005	\$ 26,120	24,670	3,609	4,556	3.1%
2006	22,900	\$ 281,840,456	\$ 12,307	n/a	n/a	n/a	3.0%

Notes:

(1) The 2000 population is the official U.S. Census. Population estimates for the other years are prepared by the Wisconsin Department of Administration, Demographic Services Center.

(2) Wisconsin Department of Revenue, Division of Research and Policy.

(3) Wisconsin Department of Workforce Development.

n/a - data not available

City of Fitchburg, Wisconsin
Table 14 - Principal Employers
Current Year and Nine Years Ago

Employer	2015			2006 ⁽¹⁾		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
SubZero/Wolf	892	1	3.4%			
Promega	815	2	3.1%	468	1	2.0%
Agrace Hospice Care	468	3	1.8%			
Super Target	450	4	1.7%			
Thermo Fisher	430	5	1.6%	473	2	2.1%
Hy-vee	406	6	1.5%			
CDW	261	7	1.0%	162	4	0.7%
City of Fitchburg	260	8	1.0%			
Tri-North Builders	250	9	0.9%			
General Beverage Sales Co	225	10	0.9%	110	9	0.5%
Placon				260	3	1.1%
Wingra Stone				125	8	0.5%
Certco				135	7	0.6%
DNR				140	6	0.6%
All Juice				70	10	0.3%
Oakhill				150	5	0.7%
Total	<u>4,457</u>		<u>16.9%</u>	<u>2,093</u>		<u>9.1%</u>

Notes:

(1) Estimated based on information obtained for 2000 employer counts.

Source: Wisconsin Department of Workforce Development.

City of Fitchburg, Wisconsin
Table 15 - Full-Time Equivalent City Government Employees by Function
Last Ten Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Non-Union	49.00	49.00	48.25	34.00	33.50	17.30	15.30	14.00	13.00	13.00
Union	-	-	-	13.75	13.25	14.25	14.75	13.75	13.75	13.75
Public Safety										
Police										
Officers - Non-Union	10.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Officers - Union	39.00	37.00	37.00	37.00	36.00	36.00	36.00	35.00	34.00	33.00
Civilians - Non-Union	12.00	12.00	12.00	-	-	-	-	-	-	-
Civilians - Union	-	-	-	12.00	12.00	12.00	12.00	12.00	12.00	11.00
Fire										
Full-Time Firefighters Non-Union	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	12.00
Full-Time Firefighters - Union	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Health and Human Services										
Non-Union	5.40	5.40	4.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Union	-	-	-	2.90	2.90	2.90	2.90	2.90	2.90	2.78
Public Works										
Non-Union	9.10	7.60	8.60	8.60	8.60	8.60	8.60	8.60	8.00	8.00
Union	7.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Culture, Recreation, and Education										
Non-Union	3.60	4.60	4.60	3.60	3.60	3.60	3.60	3.60	3.60	3.50
Union	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Conservation and Development										
Non-Union	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Union	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utility District #1										
Non-Union	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Union	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Stormwater Utility										
Non-Union	1.30	1.30	1.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Union	-	-	-	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total	161.40	158.90	157.10	156.60	154.60	139.40	137.90	134.60	130.00	125.78

Note: The FTE's presented are the approved number of positions and may not agree to the number of positions filled. Schedule does not include seasonal part-time employees, pollworkers, or elected officials.

City of Fitchburg, Wisconsin
Table 16 - Operating Indicators by Function
Last Ten Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Number of Assessable Parcels	8,020	7,989	7,964	7,959	7,969	7,936	7,831	7,812	7,685	7,021
Equalized Value - TID In	278,301,100	156,655,300	183,053,200	138,892,600	125,083,400	123,314,900	120,248,100	101,690,300	57,779,700	27,728,600
Pet Licenses Issued	1,527	1,485	1,448	1,410	1,399	1,454	1,469	1,160	1,239	1,189
Operator licenses	359	466		473	367	266	262	226	230	284
Public Safety										
Calls for Police Service	20,530	19,299	19,695	21,382	21,532	20,327	20,893	21,008	20,211	19,265
Total Arrests	814	874	1,131	1,207	1,278	1,295	1,358	1,382	1,346	1,074
Fire Responses	2,010	1,807	1,542	1,575	1,384	1,315	1,184	1,295	1,244	1,258
Fire Inspections	2,521	2,244	2,515	2,798	2,333	2,312	2,176	2,367	2,112	1,933
EMS Assists	1,226	993	739	748	583	574	486	620	444	455
Health and Human Services										
Senior Center Clients Served	694	597	664	649	652	615	625	599	606	540
Nutrition Meals Served	12,325	11,242	11,112	10,153	8,468	9,737	8,477	11,062	9,435	8,720
Public Works										
Number of Building Permits Issued	682	644	653	628	642	634	515	645	905	1,426
Property Maintenance Inspection	1,199	877	1,232	1,205	n/a	n/a	n/a	n/a	n/a	n/a
Residential Rubbish Removals	5,319	5,239	5,219	5,189	5,180	5,166	5,064	4,625	5,163	5,580
Culture, Recreation, and Education										
Library Items Circulated	389,153	388,074	393,391	375,610	158,411	-	-	-	-	-
Library Card Holders	15,290	15,103	14,824	16,681	14,956	-	-	-	-	-
Summer Reading Program Registrants	1,204	890	1,024	1,198	n/a	-	-	-	-	-
Recreation Program Participants	3,198	4,279	4,158	3,797	3,865	3,763	3,924	3,162	n/a	n/a
Park Land Acreage	610	609	606	584	584	584	584	522	522	522
FACTv										
Productions	288	271	286	238	206	185	n/a	n/a	n/a	n/a
Meeting covered	247	229	231	262	293	47	n/a	n/a	n/a	n/a
Conservation and Development										
Total Planning/Zoning Applications	169	143	171	238	143	163	164	207	235	318
Items to Planning Commission	109	104	111	91	69	88	116	111	109	110
Utility District #1										
Average Number of Customers										
Water	6,024	5,969	5,742	6,282	6,288	6,186	6,089	6,038	5,928	5,925
Sewer	5,810	5,753	5,723	5,727	5,616	5,571	5,455	5,404	5,370	5,234
Water only	457	456	683	-	-	-	-	-	-	-
Sewer only	53	53	53	53	51	50	51	51	51	52
Total Pumped (million gallons)	699,754	706,019	727,090	780,102	722,234	721,785	753,305	734,634	791,145	743,136
Stormwater Utility										
Average Number of Customers	5,910	5,867	5,833	5,759	5,739	5,710	5,688	5,621	5,567	5,452
Total	<u>279,486,602</u>	<u>157,842,875</u>	<u>184,267,040</u>	<u>140,144,598</u>	<u>126,053,642</u>	<u>124,110,663</u>	<u>121,073,816</u>	<u>102,498,851</u>	<u>58,639,247</u>	<u>28,538,094</u>

Source: Various City departments.

City of Fitchburg, Wisconsin
Table 17 - Capital Asset Statistics by Function ⁽¹⁾
Last Ten Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police Patrol Units										
Owned	11	11	13	15	10	10	8	8	8	5
Leased	10	10	10	10	12	11	11	12	12	9
Police Stations ⁽²⁾	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles)	122	122	120	120	120	120	118	118	115	115
Culture and Recreation										
Park Acreage	610	609	606	584	584	584	584	522	522	522
Parks	42	41	41	37	37	37	37	37	37	37
Community/Senior Centers	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	-	-	-	-
Utility District #1										
Sewer Main (feet)	82,273	77,649	77,453	76,519	68,216	68,164	68,164	65,994	65,994	58,307
Pump Stations/Reservoirs	4	4	4	4	4	4	4	4	4	4
Wells	6	6	6	6	6	6	6	6	6	6
Watermain (feet)	517,493	508,633	507,438	505,531	494,370	494,370	492,635	489,977	490,881	477,590
Fire Hydrants	1,119	1,098	1,097	1,090	1,058	1,058	1,058	1,053	1,046	1,016
Services	5,069	5,017	5,014	4,969	4,955	4,954	4,939	4,943	4,899	4,848
Stormwater Utility										
City owned retention ponds	12	11	10	9	7	7	7	7	6	5

Notes:

(1) Indicators are not available for the General Government, Health & Welfare, or Conservation and Development functions.

(2) The police station is attached to City Hall.

Source: Various City departments.